



**FOREIGN  
BROADCAST  
INFORMATION  
SERVICE**

# ***Daily Report***

## **East Asia**

FBIS-EAS-94-211  
Tuesday  
1 November 1994

This report may contain copyrighted material. Copying and dissemination is prohibited without permission of the copyright owners.

# Daily Report

## East Asia

FBIS-EAS-94-211

### CONTENTS

1 November 1994

**NOTICE TO READERS:** Effective 1 October, the processing indicators appearing in brackets at the start of each item in this publication will be changed. All new indicators will begin with "FBIS" to make the material more easily identifiable. Some will also indicate whether the item has been translated from the vernacular or transcribed from English.

An \* indicates material not disseminated in electronic form.

#### INTERNATIONAL AFFAIRS

|                                                                |   |
|----------------------------------------------------------------|---|
| Japan Opposed to APEC Free Trade Area [KYODO] .....            | 1 |
| APEC Summit Said Unlikely To Set Free Trade Area [KYODO] ..... | 1 |
| Colombo Plan Conference Closes in Seoul [YONHAP] .....         | 2 |

#### NORTHEAST ASIA

##### Japan

|                                                                                      |    |
|--------------------------------------------------------------------------------------|----|
| Tokyo, Washington Begin Joint Apple Inspection [KYODO] .....                         | 3  |
| Problems Remain in Glass Trade Talks With U.S. [KYODO] .....                         | 3  |
| Machinery Makers To Boost Use of U.S. Parts [NIHON KEIZAI SHIMBUN 28 Oct] .....      | 3  |
| Europeans Want Japan's Cellular Phone Market [NIHON KEIZAI SHIMBUN 31 Oct] .....     | 4  |
| Tokyo, Ottawa Agree on Global Information Network [KYODO] .....                      | 4  |
| ODA To Improve Recipients' Economic Systems [KYODO] .....                            | 4  |
| Official Cited on 15 Nov APEC Summit [KYODO] .....                                   | 5  |
| Tokyo's APEC Agenda: "South-South Cooperation" [NIHON KEIZAI SHIMBUN 30 Oct] .....   | 6  |
| YSX Aircraft Development Program Takes Off [ASAHI SHIMBUN 30 Oct] .....              | 6  |
| Supplementary Budget Planned for FY 1994 [KYODO] .....                               | 7  |
| Possible SDPJ Split Seen in Forming New Party [YOMIURI SHIMBUN 31 Oct] .....         | 7  |
| * Hata Interviewed on 'New-New Party' Formation [USHIO Oct] .....                    | 7  |
| Editorial Criticizes Government Sale of Stock [YOMIURI SHIMBUN 22 Oct] .....         | 13 |
| Foreign Reserves Hit Record High in Oct [KYODO] .....                                | 14 |
| Mieno: Economy 'Moderately Recovering' [KYODO] .....                                 | 14 |
| BOJ on 'Path of Recovery' [KYODO] .....                                              | 15 |
| Mieno Says Low Rates May Cause Inflation [KYODO] .....                               | 15 |
| Komura: Low Rates Desirable [KYODO] .....                                            | 15 |
| Further on Interest Rates [KYODO] .....                                              | 16 |
| Deregulation Boosting GDP by 1.6 Percent [KYODO] .....                               | 16 |
| Yen's Rise Continues To Lower Retail Prices [KYODO] .....                            | 17 |
| Taiyo Oil Begins Buying Saudi Low Sulfur Crude [NIKKEI SANGYO SHIMBUN 18 Oct] .....  | 17 |
| JGC Wins Saudi Refinery Modernization Contract [NIKKEI SANGYO SHIMBUN 20 Oct] .....  | 17 |
| 15 Engineering Firms Form Indian Joint Venture [NIHON KEIZAI SHIMBUN 18 Oct] .....   | 18 |
| Makers Boost Sales of Solar Power Systems [SANKEI SHIMBUN 12 Oct] .....              | 18 |
| Teikoku Oil Pursues Methane Hydrate Development [NIKKEI SANGYO SHIMBUN 21 Oct] ..... | 19 |
| Joint Company To Manage Internet Access [KYODO] .....                                | 19 |
| VOD Standardization Efforts Viewed [NIKKEI SANGYO SHIMBUN 24 Oct] .....              | 19 |

##### North Korea

|                                                                    |    |
|--------------------------------------------------------------------|----|
| Ministry Announces Freeze in Nuclear Program [KCNA] .....          | 20 |
| Foreign Groups Support North-U.S. 'Framework' [KCNA] .....         | 20 |
| Hanminjon Statement on North-U.S. Agreement [KCNA] .....           | 21 |
| U.S.-ROK Eagle 94 Military Exercise Denounced [KCNA] .....         | 22 |
| ROK Opposition to National Security Law Noted [KCNA] .....         | 22 |
| Talk Reports Discord, Conflict in ROK Army [Pyongyang Radio] ..... | 23 |



|                                                  |                        |    |
|--------------------------------------------------|------------------------|----|
| Sojourn of Hanchongnyon Delegate in North Noted  | [KCNA]                 | 23 |
| ROK Politicians Accuse Chon Tu-hwan, No Tae-u    | [KCNA]                 | 24 |
| DFRF Urges Repatriation of Long-Term Prisoners   | [KCNA]                 | 24 |
| Korean War Escaped POW Cho Called 'Murderer'     | [KCNA]                 | 24 |
| New Latin American Committee Supports Hanminjon  | [KCNA]                 | 25 |
| 'Source' Views Ties With Japan, N-S Dialogue     | [ASAHI SHIMBUN 31 Oct] | 26 |
| Japanese 'Reactionaries' Aggression Denounced    | [Pyongyang Radio]      | 26 |
| Embassy Hosts Banquet on CPV War Anniversary     | [Pyongyang Radio]      | 27 |
| Laotian People's Army Delegation Arrives         | [KCNA]                 | 28 |
| Wreath Laid at Kim Il-song Statue                | [KCNA]                 | 28 |
| KPA Department Gives Party 28 Oct                | [KCNA]                 | 28 |
| KPA Officers Meet Counterparts                   | [KCNA]                 | 28 |
| Gift Brought for Kim Chong-il                    | [KCNA]                 | 28 |
| Belarus Communist Party Leader Gives Impressions | [KCNA]                 | 29 |
| Greetings Sent to Kazakhstani Supreme Soviet     | [KCNA]                 | 29 |
| Reception for Anniversary of Algerian Revolution | [KCNA]                 | 29 |
| WPK Delegation Departs for Cuba 29 Oct           | [KCNA]                 | 30 |
| Foreign Parties Send WPK Anniversary Greetings   | [KCNA]                 | 30 |
| Indian Community Party Official Praises WPK      | [KCNA]                 | 30 |
| Burundian President Supports 10-Point Proposal   | [KCNA]                 | 30 |
| Mongolian Chuche Idea Study Center Opens Branch  | [KCNA]                 | 30 |
| Chongnyon Sends Letter to Kim Chong-il           | [KCNA]                 | 31 |
| Foreign Party Leaders Greet Kim Chong-il         | [KCNA]                 | 31 |
| Congratulations Sent to Kim Chong-il From Abroad | [KCNA]                 | 31 |
| Vice Premier Reacts to Kim Chong-il's Message    | [Pyongyang Radio]      | 32 |
| Kim Il-song Awarded Order by Lebanese Party      | [KCNA]                 | 32 |
| Russian Academics Visit Kim Il-song's Statue     | [KCNA]                 | 33 |
| Implementation of Kim Il-song's Teaching Urged   | [NODONG SINMUN 20 Sep] | 33 |
| Reunification by Confederal System Stressed      | [Pyongyang Radio]      | 35 |

## South Korea

|                                                   |                           |    |
|---------------------------------------------------|---------------------------|----|
| North Ministry Announces Nuclear Program Freeze   | [YONHAP]                  | 36 |
| Building Reactors in North Part of Overall Plan   | [YONHAP]                  | 36 |
| Defense Minister Rejects Peace Agreement Idea     | [Seoul Radio]             | 37 |
| Seoul Said Reconsidering Policy Toward DPRK       | [MUNHWA ILBO 1 Nov]       | 37 |
| Source on Kim Chong-il's Assuming Leadership      | [YONHAP]                  | 37 |
| Prime Minister on Summit-DPRK Succession Link     | [YONHAP]                  | 38 |
| Unification Minister Interviewed on N-S Dialogue  | [THE KOREA TIMES 1 Nov]   | 38 |
| NUB Approves Entrepreneurs' Visits to North       | [YONHAP]                  | 39 |
| North's Efforts To Sell Treasury Bonds Viewed     | [MUNHWA ILBO 28 Oct]      | 39 |
| Representative No's 'Extremist Remarks' Noted     | [YONHAP]                  | 40 |
| Pro-North Group in Japan Reportedly Expands Aid   | [YONHAP]                  | 40 |
| Kim Tae-chung Urges PRC Equidistant Policy        | [YONHAP]                  | 41 |
| PRC Spokesman on Armistice Agreement, Reactors    | [THE KOREA HERALD 1 Nov]  | 41 |
| Urges Replacing Armistice System                  | [YONHAP]                  | 41 |
| PRC Premier Li Continues Visit, Meetings          | [THE KOREA TIMES 1 Nov]   | 42 |
| Discusses Ties With Counterpart                   | [YONHAP]                  | 43 |
| Begins Industrial Facilities Tour                 | [YONHAP]                  | 43 |
| Dailies Assess Visit to Seoul                     | [CHOSON ILBO 1 Nov]       | 44 |
| Maritime Officials Propose Ferry Route to Russia  | [THE KOREA HERALD 28 Oct] | 45 |
| Samsung Starts Construction of Complex in Mexico  | [YONHAP]                  | 45 |
| Social Affairs Minister Leaves for Morocco        | [THE KOREA HERALD 30 Oct] | 46 |
| Agencies Instructed To Consult Foreign Ministry   | [YONHAP]                  | 46 |
| Bridge Builder Blamed for Faulty Engineering      | [YONHAP]                  | 46 |
| Yi Urges Cabinet Ministers To Make Fresh Start    | [THE KOREA TIMES 30 Oct]  | 47 |
| Opposition Proposes Summit With President Kim     | [YONHAP]                  | 47 |
| Government, DLP Study Proposal                    | [YONHAP]                  | 47 |
| Presidential Official Reacts                      | [THE KOREA TIMES 30 Oct]  | 48 |
| Prosecution: 12 Dec Incident 'Military Rebellion' | [YONHAP]                  | 48 |
| Chon Rejects Prosecution Decision                 | [YONHAP]                  | 49 |



|                                                                                 |    |
|---------------------------------------------------------------------------------|----|
| Former Army Officers on Decision [YONHAP] .....                                 | 50 |
| Prosecution Clears Officer Death [YONHAP] .....                                 | 50 |
| DLP on UR Ratification During Assembly Session [YONHAP] .....                   | 50 |
| Trade Deficit Increasing at 'Rapid Pace' [YONHAP] .....                         | 51 |
| Ministry on Manufacturers' Losses in Exports [THE KOREA TIMES 30 Oct] .....     | 51 |
| Deficit in International Balance of Payment Noted [YONHAP] .....                | 52 |
| Foreigners' Stock Investment Ceiling Expanded [YONHAP] .....                    | 52 |
| Korean Stock Exchange: Gain in Share Prices [YONHAP] .....                      | 52 |
| Uranium Discovered in Restricted Forward Area [YONHAP] .....                    | 53 |
| KFTU Seeks Unconditional Merger With Chonnodae [THE KOREA TIMES 29 Oct] .....   | 53 |
| Semiconductor Makers Reportedly Make Big Strides [THE KOREA TIMES 30 Oct] ..... | 53 |
| 'Fierce Competition' Reported [THE KOREA HERALD 28 Oct] .....                   | 54 |

## SOUTHEAST ASIA

### Burma

|                                                                   |    |
|-------------------------------------------------------------------|----|
| Khin Nyunt on 2d Meeting With Aung San Suu Kyi [Rangoon TV] ..... | 55 |
|-------------------------------------------------------------------|----|

### Brunei, Malaysia & Singapore

#### Malaysia

|                                                                                      |    |
|--------------------------------------------------------------------------------------|----|
| Defense Minister, SRV Counterpart Holds Talks [Kuala Lumpur International] .....     | 56 |
| Prime Minister, Deputy Deny Rumors of Rift [Kuala Lumpur Radio] .....                | 56 |
| Al-Arqam Disbanded in Line With Wishes of Leader [Kuala Lumpur International] .....  | 56 |
| Commentary Hails 1995 Budget for Sustained Growth [Kuala Lumpur International] ..... | 56 |

#### Singapore

|                                                                                    |    |
|------------------------------------------------------------------------------------|----|
| 'Resurgent' PRC's Right to Nuclear Tests Defended [THE STRAITS TIMES 28 Oct] ..... | 57 |
| Importance of Europe, Asia Conference Noted [THE STRAITS TIMES 31 Oct] .....       | 57 |

### Cambodia

|                                                                               |    |
|-------------------------------------------------------------------------------|----|
| Hun Sen Announces Hostages Dead; Blames Media [AFP] .....                     | 58 |
| Government Bans Entry of Two French Journalists [AFP] .....                   | 59 |
| Thais Suspected of Coup Activity Blacklisted [THE SUNDAY NATION 30 Oct] ..... | 59 |
| Daily on Thai Cabinet Reshuffle, Terrorism [REAKSMEI KAMPUCHEA 30 Oct] .....  | 60 |
| KR Radio Cites 'Secret Activities' of Sin Song [Radio PGNUNS] .....           | 60 |
| PGNUNS Notes Danger From SRV Immigrants [Radio PGNUNS] .....                  | 61 |
| Sam Rangsi To Sue Newspaper for Defamation [REAKSMEI KAMPUCHEA 29 Oct] .....  | 62 |
| Daily Analyzes FUNCINPEC's Ebbing Popularity [REAKSMEI KAMPUCHEA 2 Nov] ..... | 62 |

### Indonesia

|                                                                                   |    |
|-----------------------------------------------------------------------------------|----|
| Memorandum of Intent on Human Rights Signed [THE JAKARTA POST 27 Oct] .....       | 63 |
| Daily Urges Unbiased Judgment on Rights Practices [THE JAKARTA POST 25 Oct] ..... | 64 |
| Army Reportedly Continues Offensive in E. Timor [Lisbon International] .....      | 64 |
| Cambodia's Effort To Join ASEAN Examined [Jakarta Radio] .....                    | 65 |

### Laos

|                                                                        |    |
|------------------------------------------------------------------------|----|
| Leaders Receive Thanks From PRC Counterparts [Vientiane Radio] .....   | 65 |
| Talks Held With CPC Delegation on 31 Oct [Vientiane Radio] .....       | 65 |
| Australia To Build Four Border Bridges [Melbourne International] ..... | 66 |

### Thailand

|                                                                         |    |
|-------------------------------------------------------------------------|----|
| Government Rejects U.S. Request for Arms Depot [Bangkok TV] .....       | 66 |
| Military Officials Cited on Russian Arms Deal [THE NATION 31 Oct] ..... | 66 |



|                                                |                    |    |
|------------------------------------------------|--------------------|----|
| No Punishment for Officials Involved in Coup   | [THE NATION 2 Nov] | 67 |
| Suphachai Seeks Help for Thai Investors in PRC | [Radio VOFA]       | 68 |
| Editorial Views SLORC-Aung San Suu Kyi Talks   | [THE NATION 2 Nov] | 68 |

#### Vietnam

|                                                  |                       |    |
|--------------------------------------------------|-----------------------|----|
| Development Seen in U.S. Economic Relations      | [Hanoi International] | 69 |
| Visit by PRC Communist Party Delegation Reported | [VNA]                 | 70 |
| Indian Communist Leader's Activities Reported    | [VNA]                 | 70 |
| Economic Cooperation With Canada Reviewed        | [Hanoi Radio]         | 70 |
| Further on National Assembly Proceedings         |                       | 71 |
| 31 Oct Activities Detailed                       | [Hanoi Radio]         | 71 |
| Assembly's Sixth Session Closes                  | [Hanoi International] | 71 |
| Nguyen Di Nien on 1994 Diplomatic Activities     | [Hanoi Radio]         | 72 |
| Decrees on Land Renting Provision Announced      | [Hanoi Radio]         | 72 |
| Problems in Foreign Investment Discussed         | [Hanoi Radio]         | 72 |
| Party Paper Views 'Anti-Negativism Campaign'     | [NHAN DAN 6 Oct]      | 73 |

#### AUSTRALASIA

##### Australia

|                                                 |       |    |
|-------------------------------------------------|-------|----|
| Countries Interested in Collins Class Submarine | [AFP] | 75 |
|-------------------------------------------------|-------|----|

##### Marshall Islands

|                                                |       |    |
|------------------------------------------------|-------|----|
| Senator Objects To U.S. Nuclear Waste Disposal | [AFP] | 75 |
|------------------------------------------------|-------|----|

##### Papua New Guinea

|                                                |                           |    |
|------------------------------------------------|---------------------------|----|
| Chan Vows To Bring BRA Rebel Chiefs to Justice | [Melbourne International] | 75 |
|------------------------------------------------|---------------------------|----|



### Japan Opposed to APEC Free Trade Area

OW0111104294 Tokyo KYODO in English 0944 GMT  
1 Nov 94

[FBIS Transcribed Text] Singapore, Nov. 1 KYODO—Japan is asking Indonesia to omit any reference to an APEC free trade area in a statement to be issued by leaders of the Asia-Pacific Economic Cooperation (APEC) forum in Indonesia later this month, diplomatic sources said Tuesday.

Japan has voiced concern to Indonesia, this year's chairman of APEC, about the concept of an APEC free trade area, which is mentioned in a second draft statement dated Oct. 1, the sources said.

APEC leaders are expected to issue a statement to establish free trade in the economically booming region by year 2020 at the end of their one-day informal summit in Bogor on Nov. 15.

Reflecting controversy over the proposal, there are several differences between the second draft statement, which is currently circulating among government officials of APEC member economies, and the first draft dated Sept. 10.

Both statements were drafted and distributed by Indonesian President Suharto's special assistant on APEC, Bintoro Tjokroamidjojo [name as received], a prominent economist. Bintoro is also expected to soon circulate the final draft, which is a revision of the second draft.

The reference to an APEC free trade area, first mentioned in the original draft statement, is also repeated in the second draft statement, prompting Japan to urge Indonesia to delete it in the final statement to be adopted by APEC leaders later this month.

Japan, which next year will take over from Indonesia as APEC chairman, believes that the free trade area envisioned in the statement runs counter to the principles of the General Agreement on Tariffs and Trade (GATT).

The sentence which Japan wants deleted implies a free trade area by saying APEC trade liberalization "will be implemented through a complete nondiscriminatory basis among its member countries and extend the benefits of regional liberalization by a commitment to continue reducing its barriers to nonmember countries."

The second draft statement also avoids proposing the removal of "all" trade barriers.

The sources said this is aimed at accommodating the diverse members of APEC—developing countries, which will have difficulty fully liberalizing their trade, and developed economies with special problems, such as Japan and its politically sensitive rice market.

There was a debate among members of APEC's advisory panel, the Eminent Persons Group, on the definition of open regionalism.

The group's report to be discussed by APEC foreign and trade ministers in Jakarta has proposed two ways of extending APEC trade benefits to nonmembers—either on a conditional (reciprocal) basis using free trade arrangements or on an unconditional basis in conformity with GATT rules.

The conditional proposal is opposed by several APEC member economies as inconsistent with GATT. The United States and Japan are at loggerheads on the issue, with Washington pushing for conditional liberalization and Tokyo wanting the unconditional, GATT-consistent basis.

The second statement also contains a new element. It will mention that the substantive work of mapping out the concrete details of liberalization will be left for Japan as the next chairman. The annual ministerial meeting and informal leaders' summit in Japan next year are expected to lay down the details.

The start date of 1995 for APEC members to start liberalizing trade among themselves is more clearly mentioned in the second draft statement compared with the first draft.

Suharto, who is anxious that the APEC meetings hosted by Indonesia this year will be a turning point for APEC, is hoping that APEC leaders will agree this year to start trade liberalization measures next year with the aim of achieving free trade in the region by the year 2020.

Both the first and second draft statements propose that the developed member economies should fully liberalize by 2010 while the developing economies should have a grace period until 2020.

APEC, established in 1989, has 18 members, including Chile, which will be admitted as a member this month.

### APEC Summit Said Unlikely To Set Free Trade Area

OW2910060494 Tokyo KYODO in English 0516 GMT  
29 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 29 KYODO—The coming informal summit of the Asia-Pacific Economic Cooperation (APEC) forum will fall short of reaching a clear-cut consensus on trade liberalization measures in the Asia-Pacific area, a senior Japanese Government official has said. In a recent interview with KYODO NEWS SERVICE, Tetsuya Endo, ambassador in charge of APEC, said, "approaches for free trade differ from one APEC member to another."

The gap is traced to "significantly different" economic development stages and basic economic structures among APEC members, Endo explained. That makes it difficult for Indonesia, the host country for the second informal APEC summit in Bogor on Nov. 15, to come up with a trade liberalization proposal that could draw unanimous support, Endo said.



Leaders from the 18 countries and territories in the APEC region will discuss the freer trade vision of APEC and ways to remove various rules and practices that hamper smooth trade deals in the area.

Two recommendation reports—one prepared by the Eminent Persons Group (EPG), an APEC advisory organ, and the other by the Pacific Business Forum (PBF), the private-sector version of the EPG—will serve as a basis for discussion.

"The two reports provide useful reference views on APEC's trade vision, but APEC members do not have to stick to their recommendations as they are not binding," Endo said. The EPG report calls for complete trade freedom in all goods and services in the APEC area by the year 2020 while the PBF sets the liberalization deadline at 2010.

Endo said APEC is a group of countries with sharp differences in economic and industrial situations, ranging from highly industrialized Singapore to less developed Indonesia and Thailand.

Japan, for example, basically supports the idea of freer trade but is not ready to blindly accept all of the proposed liberalization measures, Endo said, referring to "weak points" like the rice market opening mandated under the Uruguay Round's farm accords.

"All APEC members have such weak points, except Hong Kong and Singapore," he said. "It is most unlikely that the Indonesian meeting will come up with very detailed freer trade steps."

"I think the Bogor Declaration will become more like a political declaration," he said, noting the task of giving the finishing touches will be left to later discussion at ministerial levels.

Endo confirmed that conceptual differences exist among members over the role of the APEC. Countries like the United States, Australia and Canada seem to want the APEC more institutionalized while Asian countries want to see it as a loose consultative body, the concept upheld at the time of foundation in 1989, Endo said.

"The contrast does not represent confrontation but a difference of He said APEC did not skid to either end of the conceptual spectrum but appears to have taken a rather neutral course. Endo said Japan, as the host country for next year's APEC summit in Osaka, should

take a strong initiative along with Indonesia in wrapping up talks at the Bogor meeting.

Japan can represent the voice of both leading industrialized countries and developed countries in APEC because the country has experienced both positions in the past, Endo said. Whatever is set as "homework" in the declaration, Japan has the responsibility to turn it to practical use before next year's Osaka gathering, he said. He said APEC has been well fostered as "the core part of Asia-Pacific Economic Cooperation."

Japan should cooperate more, not by extending cooperation as seen in settling the North-South problem, but by offering "horizontal" cooperation, Endo said. He explained that cooperation should be directed at economic growth of the APEC area and should not include such issues as human rights records.

On the East Asia Economic Caucus (EAEC) scheme proposed by Malaysia, Endo said any new organ should not be one that would prevent the development of APEC, which has just entered "a growing stage." Japan needs to study more before clarifying its stance on the EAEC scheme, he said.

"The EAEC, if it is to be created, should win the blessing of the entire Asia-Pacific region," he said. The EAEC is intended to include China, Hong Kong, Japan, South Korea and Taiwan as well as Malaysia's fellow members of the Association of Southeast Asian Nations (ASEAN).

The U.S. has been opposed to the proposed group, arguing that it could emerge as an economic bloc excluding Washington.

#### **Colombo Plan Conference Closes in Seoul**

SK2810084894 Seoul YONHAP in English 0702 GMT  
28 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 28 (YONHAP)—The 35th Colombo plan conference closed its three-day run in Seoul Friday after adopting a report on the group's future tasks. The conference of 19 member nations and nine observer countries and international organizations championed free trade and the Uruguay Round agreement and emphasized technological assistance to developing countries to remove trade barriers. The participants agreed to pursue specific projects for technology transfers and manpower development. The next conference will be held in Sri Lanka next year.



## Japan

### Tokyo, Washington Begin Joint Apple Inspection

OW0111113494 Tokyo KYODO in English 0822 GMT  
1 Nov 94

[FBIS Transcribed Text] Aomori, Japan, Nov. 1 KYODO—Joint quarantine inspection by Japan and the United States began Tuesday [1 November] in Hirosaki in the northeast Japan prefecture of Aomori for apples to be exported to the U.S., local farm sources said.

Japan will export apples to the U.S. for the first time. The inspection is being carried out under a bilateral agreement for the lifting of a ban on apple exports to each country.

After inspection, the apples will be treated at temperatures under 1.1 c for more than 40 days. The first shipment to the U.S. will be in late January, they said.

Mitchell Nelson, a quarantine officer of the U.S. Agriculture Department, who conducted the inspection the same day, said he could not find any disease among the apples and the shipment to the U.S. will be no problem.

According to the Agriculture, Forestry and Fisheries Ministry, only farmers in Hirosaki want to export their products. They plan to export as much as 15 tons of apples to the U.S. in the season.

Both Japan and the U.S. had long banned apple imports from each other because of a fear of diseases caused by harmful insects.

But in August, in spite of opposition from apple growers in Aomori and Nagano Prefectures, Japan lifted the ban because the ministry said adequate quarantine inspections had been established. The U.S. also liberalized apple imports in the summer.

The U.S.-grown apples will arrive in Japan in December for the first time.

### Problems Remain in Glass Trade Talks With U.S.

OW0111020594 Tokyo KYODO in English 0114 GMT  
1 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO—Japan and the United States were unable to agree ways to improve foreign access to Japan's flat-glass market despite all-night negotiations into Tuesday [1 November] morning, the Japanese trade minister said Tuesday.

However, both parties agreed to continue talks on the matter, International Trade and Industry Minister Ryutaro Hashimoto told a news conference.

The latest negotiations on flat glass trade, a segment of the bilateral "framework" talks, began last Wednesday.

"Some progress was made in the latest session but we agreed to end talks at 8 A.M. this morning as we confirmed that some technical and substantive problems remain," Hashimoto said.

Hashimoto said, "We spent all weekend in settling talks but we were not able to wrap them up fully."

"From the beginning, I was not optimistic about the prospect for the latest negotiations," he added.

But he warned against excessive pessimism, saying, "the calendar has just been extended."

Hashimoto refrained from specifying which issue has set the two countries apart.

The latest glass trade talks were originally set for three days to Friday.

The two countries came up with no accords even after the unscheduled two-day talks Saturday and Sunday, extending to the Oct. 31 deadline.

Hashimoto said the two countries will set the next round of talks via diplomatic channels.

Tokyo and Washington worked on detailed measures on ways to facilitate foreign-made glass sales in this country in line with the Oct. 1 framework agreement, which set the deadline at Oct. 31.

At stake is "objective criteria" as an instrument to gauge the extent of the Japanese market's openness.

The U.S. side reportedly pushed for the use of such criteria as the volume of foreign-made glass sales in Japan and the number of wholesalers handling foreign products.

Tokyo has also been asked to revise its rules so that specialty glass like "safety" glass, a domain of U.S. makers, is obligatory for certain uses.

The Japanese glass market is dominated by a few domestic makers, which have formed exclusive sales contracts with most of Japan's 400 wholesalers, a situation prompting the U.S. claim that Japan's market is closed.

### Machinery Makers To Boost Use of U.S. Parts

OW2910133594 Tokyo NIHON KEIZAI SHIMBUN in Japanese 28 Oct 94 Morning Edition p 13

[FBIS Translated Text] Major construction machinery makers, including Komatsu Ltd. and Hitachi Construction Machinery Co. Ltd., are moving to procure more local components at their U.S. plants to cope with the yen's steep rise.

Komatsu said it will raise the ratio of local-made parts used in its U.S.-built products to 70 percent by 1996. Hitachi Construction Machinery has recently concluded a new business tie-up contract with its U.S. partner to increase use of U.S.-made parts. Other makers, including



Kobe Steel Ltd., Sumitomo Construction Machinery Ltd., and Kawasaki Heavy Industries Ltd., will also raise their local content ratios to at least 50 percent. These companies have been positively shifting their production to overseas facilities, and the unexpected rise of the yen rate encouraged them to take further measures to cut Japanese-made parts used at their U.S. subsidiaries. These moves are likely to hurt smaller parts manufacturers in Japan.

Under a business restructuring plan hammered out in September 1993, Komatsu shifted production of several models to Komatsu Dresser Co. (based in Illinois) and a Brazilian subsidiary. In addition, Komatsu has raised the price of its products in the U.S. market seven times since 1992.

Nevertheless, the weakening of the dollar below 100 yen required Komatsu to take further measures to cut production costs in overseas facilities. At present, Komatsu's ratio of U.S.-made parts procurement is 50 percent, but the rate will be increased to 70 percent by 1996. In addition to expanded production and parts procurement, Komatsu Dresser Co. hired 160 employees this year to build up its 2,680-man work force.

Hitachi Construction Machinery recently concluded a new business tie-up contract with its U.S. partner, Deere Corp. While the two companies currently have a joint venture company to build hydraulic excavators in North Carolina, they both want to establish better relations in all fields of the construction machinery industry. Aiming at stronger competition power in the U.S. market, Hitachi is conducting a feasibility study regarding purchasing all parts used at the joint venture company from U.S. manufacturers.

Kobe Steel Ltd. is planning to assemble all products intended for the U.S. market in the United States by the end of 1995, and to raise the ratio of U.S.-made parts from the present level of 65 percent to 80 percent. In September, Sumitomo Construction Machinery Ltd. shifted the final assembly point for two full-size excavator models to its U.S. subsidiary, and use of U.S.-made parts will be raised from the current 40 percent to 60 percent before the end of this year. Kawasaki Heavy Industries Ltd. intends to raise the ratio of U.S.-made parts for its wheel loader from 30 to 50 percent.

#### **Europeans Want Japan's Cellular Phone Market**

*OW0111005194 Tokyo NIHON KEIZAI SHIMBUN in Japanese 31 Oct 94 Morning Edition p 3*

[FBIS Translated Text] A Foreign Ministry source has disclosed that the Japanese Government and European Commission plan to hold talks on whether or not the Japan-U.S. accord reached last March on opening Japan's market for cellular phones (including car phones) is unfairly discriminatory against European enterprises. It is expected that the talks will be held in Geneva in mid-November, right before the regular

Japan-European Union [EU] ministerial meeting set for Tokyo on 19 November. While the EU has criticized the accord as "discriminatory against Europe," Japan intends to refute it by stressing that "as far as the Japanese Government is concerned, the details do not indicate the EU will be neglected." However, it is impossible to predict whether the EU will understand Japan's position because the EU has long been dissatisfied with Japan's policy of attaching greater importance to the United States.

According to the same source, the Japan-EU consultations will be equal to the first stage for settling conflicts as stipulated in the GATT regulations, and therefore, these talks will not result in immediate sanctions.

#### **Tokyo, Ottawa Agree on Global Information Network**

*OW3110112294 Tokyo KYODO in English 1046 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japan and Canada agreed Monday [31 October] to cooperate in upgrading global information infrastructure, Japanese officials said.

The agreement was reached during a meeting between Japanese International Trade and Industry Minister Ryutaro Hashimoto and visiting Canadian Industry Minister John Manley, the officials said.

The two ministers agreed that the United States, an advocate of the "global information infrastructure (GII)," is far ahead of other countries in this area, the officials said.

"No country can catch up with the U.S. in this area, but Japan and Canada could play a role in bridging the gap," Hashimoto was quoted as saying.

Manley said Canada has "a different perspective" on the global information scheme, the visiting minister said.

Hashimoto and Manley were referring to their possible role in an international GII conference to be held in Brussels in February next year.

Manley is visiting Japan to attend an international meeting on tourism in Osaka on Thursday and Friday.

#### **ODA To Improve Recipients' Economic Systems**

*OW2910090294 Tokyo KYODO in English 0818 GMT 29 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 29 KYODO—The Foreign Ministry plans to use official development assistance (ODA) funds to improve financial and monetary systems in recipient countries, ministry officials said Saturday [29 October].

Japan has hitherto defrayed the funds mainly to finance development projects such as construction of roads and port facilities.



The officials said the ministry will make a new approach to meet the changing international situation following the collapse of Cold War confrontation.

The funds will be used to strengthen assistance to such countries as Vietnam, China and Mongolia which are promoting transition to market economies, they said.

The money will also be used to finance feasibility studies for development projects and enactment of new financial and monetary systems in socialist countries as well as privatization of state-run enterprises, the officials said.

They said the ministry plans to hold a policy study meeting in late November with the cooperation of private think tanks and government-affiliated research institutes.

Japan, once a foreign aid recipient nation, is better informed of the needs of developing nations than the United States and West European countries, the officials claimed.

#### Official Cited on 15 Nov APEC Summit

OW2810124594 Tokyo KYODO in English 1109 GMT  
28 Oct 94

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—Leaders from the Asia-Pacific region will basically agree to the importance of trade liberalization in the area but will not propose specific ways to achieve it during their coming meeting, a Japanese official said Friday [28 October].

A declaration on freer trade and investment to be adopted at the informal summit of the Asia-Pacific Economic Cooperation (APEC) forum on Nov. 15 in Bogor, Indonesia, will probably be "abstract, comprehensive and political," the official at the Ministry of International Trade and Industry said.

The leaders from the 18 countries and territories in the APEC area will leave the task of giving concrete shape to the goal to later discussion, he said.

A focus of attention at the Bogor meeting, the second informal summit of APEC following the Seattle gathering last November, is whether or not members can devise a framework of a trade liberalization plan for the area, which has as much as 12 trillion dollars in annual production.

As a basis for discussion, the Eminent Persons Group, an APEC advisory body, presented a recommendation report at the end of August, which calls for freeing trade in all goods and services in the APEC area by 2020.

"Faced by sensitive trade issues, each country of APEC appears reluctant to go into full debate over how to realize trade liberalization in the area," the official said, citing rice market opening for Japan and textile trade for the United States, as examples.

"If the Bogor declaration is something like a declaration showing a political commitment, no member country will have reason to oppose it," the official said.

At present, no agreement has been reached among APEC members even on the definition of trade liberalization.

"If APEC leaders go too much into definition, it would get them nowhere," the official said.

Although APEC leaders are expected to shun specific commitments on trade liberalization in the declaration, they will probably reach agreement on reducing and removing rules and practices hampering free trade, the official said.

Specifically the leaders will agree on the unification of trade standards and certificates, establishment of a dispute settlement mechanism and freer investment environments, the officials said.

Standards and certificates for product safety and other regulations now differ from one APEC country to another, blocking smooth trade deals within the area.

The official said the committee on trade and investment, a subordinate organ of APEC, is now working on ways to devise a set of rules on such certificates in line with three basic principles—harmonization with international standards, reinforcing of the APEC linkage with international standardization organs and pursuit of mutual recognition agreements among APEC members.

"Interdependence of trade among APEC members has increased greatly, prompting the need for unifying standards and certificates in the area," the official said.

The leaders will also agree on the need to establish in APEC "a dispute mediation service," a mechanism with nonbinding force which is designed to supplement the role of a more confronting "arbitration" organ to be set up under the planned World Trade Organization (WTO), the official said.

At present, APEC has no set rules on dispute settlement, the official said.

The official said the committee on trade and investment is also mapping out a set of nonbinding investment principles as a means to make the APEC region's investment environment more open.

"The source of Asian economic growth lies in exports which are related to the level of foreign investment," the official said.

A draft of the investment principles, made available in September, recognized "the importance of promoting domestic environments that are conducive to attracting foreign investment, such as stable growth with low inflation, adequate infrastructure, adequately developed human resources and protection of intellectual property rights."



The draft urged APEC members to adopt nondiscriminatory principles for foreign investments such as the most-favored-nation principle and the principle of national treatment—two important rules under the General Agreement on Tariffs and Trade (GATT).

The biggest issue on investment principles is whether or not APEC members can accept the "preestablished" national treatment, an idea that calls for national treatment to foreign goods and investments once investment is under way, the official said.

National treatment is designed to treat foreign goods or investments equally with domestic ones once the foreign goods clear customs or the investments are accepted.

APEC members already have accepted such treatment on condition it be given after the investments are well established, but the call for "preestablished" national treatment has drawn criticism from developing countries, the official said.

The proposed investment principles are basically non-binding but some members like China want them watered down, while the United States wants to make them more compulsory.

#### **Tokyo's APEC Agenda: 'South-South Cooperation'**

*OW3010113994 Tokyo NIHON KEIZAI SHIMBUN in Japanese 30 Oct 94 Morning Edition p 3*

[FBIS Translated Text] At informal Asia-Pacific Economic Cooperation (APEC) forum summits and ministerial meetings to be held in Indonesia in mid-November, the Japanese Government plans to propose that each nation and region positively promote a "South-South cooperation" system, under which the more-developed of developing nations will assist less-developed nations. Giving serious consideration to great differences among developing nations in economic growth capability, the Japanese proposal is designed to help improve the economic level of the APEC region as a whole. In making the proposal during the series of meetings with foreign leaders, Tomiichi Murayama, the prime minister, and Yohei Kono, deputy prime minister and concurrently foreign minister, will announce Japan's readiness to support "South-South cooperation" indirectly through official development assistance (ODA) and other programs.

Under the "South-South cooperation" system, advanced developing nations—of which economic development has relatively advanced—are supposed to provide expertise and technology to other developing nations to promote their economic development. This is a new form of promoting economic cooperation through making good use of each nation's self-help efforts. Singapore, Thailand, and other countries, which have enjoyed rapid economic growth, have begun accepting technicians from less-developed nations as trainees.

Japan has already begun assisting countries, which are implementing "South-South cooperation," by bearing trainees' living expenses, sending experts to those countries, and providing them with mechanical equipment. It is expected to announce its readiness to provide additional assistance at the upcoming APEC meeting.

While Asia has become a powerful economic growth center and some Southeast Asian nations have enjoyed rapid economic growth, other developing nations have suffered economic slumps. Thus, there are conspicuous differences among Asia-Pacific countries in economic progress. This is why the Japanese Government intends to propose "South-South cooperation" to each nation. The government wants to establish a system under which industrialized and richer developing nations will cooperate in helping Cambodia, Vietnam, and other nations that are making efforts toward democratization.

#### **YSX Aircraft Development Program Takes Off**

*OW0111064694 Tokyo ASAHI SHIMBUN in Japanese 30 Oct 94 Morning Edition p 9*

[FBIS Translated Text] A definite program for the development of the next generation small civilian aircraft YSX, the last major component in Japan's effort to develop its aviation industry, has taken off. The organization involved, the Japan Aircraft Development Company (JADC), in October sent 20 officials to the main office of Boeing, the major partner in the project to begin joint calculation of the cost. While many things still need to be done—such as deciding on joint venture partners and projecting future demand—the basic plans for the aircraft's body are expected to be completed by March 1995.

One of the basic concepts already decided upon is that the development of the new aircraft will be based on the Boeing 737-500 (108 seats), which has the least number of the seats among the three models in the Boeing 737 series. It has also been decided that the new aircraft will have a cruising range of 3,700 km and be used for transport between medium-sized cities.

One of the issues currently under consideration is whether to remodel the main wing partly or completely. A complete remodeling will create a body with dramatically improved fuel efficiency, but it will increase development cost, and hence, the price of the finished product, substantially reducing potential demand. Partial remodeling will cut development costs, but no dramatic improvement in performance can be expected. Japan wants to strike a balance between cost and performance by reducing the usual development cost of 200 billion yen to less than 100 billion yen, so that the new aircraft can break even if there are no major sales of the aircraft.

The development plan is expected to be finalized by March 1995. Cost accounting, the selection of engines and other issues relating to mass production of the



aircraft will be addressed after partners in the joint project other than the Japanese and American groups have been selected. These procedures will be completed by autumn next year to enable a development allocation to be included in the 1996 fiscal year national budget. Commercialization may be achieved by 2000, depending on market trends.

International joint ventures are common in the development of aircraft, which requires enormous funds. Plans to develop the YSX started in 1989. At first, the plan was to develop a 75-seater for transport between big and small cities with European and Chinese partners. However, a rival aircraft was developed first by European manufacturers, forcing the original plan to be suspended.

Even after the plan to develop an aircraft with more than 100 seats with Boeing had started, Boeing signed a contract with technology-capable China to update the three Boeing 737 models, giving rise to concern that Japan might be left out of the game due to the close links between the United States and China.

Further, another joint project with Boeing to develop medium-sized aircraft was also grounded after it was absorbed by the Boeing project with China to update the 737's. There have also been fears that the YSX project might also be absorbed.

Around 70 percent of Japan's aviation industry is dependent on defense-related projects. Since the gradual reduction of the defense budget has become a certainty, the industry is staking its survival on civilian demand.

Masaya Kohayakawa, managing director of JADC, says: "The people involved in the development of the YS-11 have retired from the first line. If the YSX does not come to fruition, there can be no future for Japanese aircraft development."

#### **Supplementary Budget Planned for FY 1994**

*OW0111101294 Tokyo KYODO in English 0853 GMT  
1 Nov 94*

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO—The Ministry of Finance [MOF] will work out a supplementary budget for fiscal 1994 to cover revenue shortfalls, ministry officials said Tuesday [1 November].

The officials said the extra budget, to be drafted along with the fiscal 1995 main budget, will be submitted to the regular Diet session in January for approval.

The supplementary budget will cover expenditures for repair of damage caused by natural disasters and front-loading of 6.01 trillion yen outlays for agricultural projects from 1995 to 2000, they said.

The farm projects are designed to boost Japan's competitiveness in the face of rice import liberalization under the Uruguay Round world trade agreement reached last year.

The officials said the tax revenue deficit fell about 1.5 trillion yen short of an estimate made after a supplementary budget was compiled in fiscal 1993.

Based on the estimate, tax revenue shortfalls in the current fiscal year are estimated at about 2 trillion yen, the officials said.

They said the government plans to defray slightly more than 100 billion yen from the agricultural fund in fiscal 1994 to meet growing demand from the ruling coalition parties for additional outlays.

The supplementary budget will incorporate a national bond issue worth a little over 200 billion yen to make up for the tax revenue shortfall for the January-March period, the last quarter of fiscal 1994, the officials said.

#### **Possible SDPJ Split Seen in Forming New Party**

*OW0111063494 Tokyo YOMIURI SHIMBUN in  
Japanese 31 Oct 94 Morning Edition p 3*

[FBIS Translated Text] Speaking in an interview for the WEEKLY YOMIURI (13 November issue), which will go on sale this week, Social Democratic Party of Japan [SDPJ] General Secretary Kubo referred to moves for "bringing together democratic and liberal forces." He said: "It is desirable that SDPJ members take concerted action as much as possible. But if some members who have nothing better to do expect that devoting themselves to protecting the banner of the party will block the path toward reform, they will find it will inevitably lead to splitting the party." In this way, he indicated his view that a party split is possible in the process of forming a new party.

He added that "there are more political forces that can act in concert with us than expected," thus indicating his intention to seek cooperation with political forces such as a group led by Japan New Party member Banri Kaieda, who is planning to form a new party in the near future.

#### **\* Hata Interviewed on 'New-New Party' Formation**

*942A0702A Tokyo USHIO in Japanese Oct 94 pp  
88-101*

[Interview with Tsutomu Hata, chairman of Shinseito (Japan Renewal Party), by Eiji Oshita, on 12 August, place not given: "Scenario of a Counteroffensive—A Document on Simultaneous Progress Toward Recapture of Power"]

#### **[Text] Strange Advent of Murayama Administration**

*The pace is picking up toward the formation of the new-new party. The chief candidate for chairman is Tsutomu Hata. Let us hear his scenario for recapturing administrative power.*



[Oshita] Looking back on the birth of the Murayama administration, how do you see the moves by the Social Democratic Party of Japan [SDPJ] and Sakigake [Harbinger]?

[Hata] Above all else, the majority of the people are surprised that the Liberal Democratic Party [LDP] and the SDPJ have gotten together, because during the general election a year ago the SDPJ and Sakigake were clearly waging an anti-LDP campaign.

[Oshita] It is really difficult to understand Sakigake's moves.

[Hata] What is there to say about Sakigake's moves? In the SDPJ's case, after the furor over reform, it declared that it would become an opposition party. However, it became an opposition party while clearly stating that it would pass both the budget and related bills which it had drafted jointly. The Sakigake members promised cooperation outside the cabinet in the case of the Hata administration, saying that it was a ruling party so to speak. Of course, I do not believe that all Sakigake members were inclined to form the LDP-SDPJ-Sakigake coalition administration. Some Sakigake members were making strange moves immediately after the birth of the Hosokawa administration. Despite their previous stress on procedures, their actual actions indicated a disregard for procedures. We cannot understand it. Some SDPJ members are cursing Sakigake. Even some LDP members speak harshly about it.

*Satsuki Eda, deputy representative of the Japan New Party [JNP], who is worried about the SDPJ's formation of a coalition with the LDP, comments as follows:*

*"The SDPJ will, against its will, play a sinful role in the future. It is overly optimistic to think that the LDP's sound liberalism will mix with the SDPJ and bring remarkable results. It is only an illusion. The LDP is thoroughly familiar with the bureaucracy, and the financial world is its own domain. Moreover, it has formed a network of vested interests throughout the remote corners of the nation. Although it was deprived of ruling power for 10 months, its vested interest structure remains intact. The SDPJ claims to have become familiar with the bureaucracy during its eight-month administration, but there is no comparison. The LDP has controlled the bureaucracy and the financial circles in every aspect, including nepotism, academic cliquism, and personal hobbies and tastes. The LDP will reactivate once again the political-bureaucratic-financial alliance and the nationwide special-interest structure which weakened somewhat during its absence from power. Reenergizing the structure is its goal. The SDPJ is treated like a guest and feted by the LDP. The SDPJ will become complacent in its role. In the first place, ever since the 1955 system, an LDP-SDPJ coalition structure existed in the background. Now that the structure has surfaced, the SDPJ will become power-oriented. It was recognized as a faction by the LDP and will be asked to cooperate in the election. It will be given a commensurate number of Diet seats. In effect, the SDPJ*

*will be cleverly manipulated, prettied up, and cajoled by the LDP, to be eventually abandoned.*

#### **Policy Implementation by LDP-SDPJ-Sakigake Questioned**

[Oshita] While the Hata administration exited with a high support rate, the current LDP-SDPJ-Sakigake coalition administration has a low popularity rate, does it not?

[Hata] The people probably think that it is a coalition of politicians with the worst traits who should change the most. A prominent German weekly magazine, DER SPIEGEL, under the title "A Foolish Marriage," wrote in its 4 July issue as follows:

*"The conservative antireformists (LDP) have returned to power in a coalition with the socialists.... The alignment between the perennial ruling party (LDP) and the eternal opposition party (SDPJ) has shaken the political stability of Japan more than last year's change of government.... The LDP supports UN peacekeeping activities. The SDPJ considers the Self-Defense Forces [SDF] to be basically unconstitutional. Although the LDP is attempting to raise indirect taxes, the SDPJ opposes it. A negative stance on 'reform' has brought the two together. It is a foolish marriage in that sense, and their goals may be considered to be incompatible.... The fickleness of the SDPJ concerning power was proven once. It formed a coalition cabinet with some of the conservatives in 1948, but the cabinet was dismantled some nine months later."*

It is a very clear-cut article.

[Oshita] With the SDPJ's character changed so much, what points of issue will you have in fighting against the LDP-SDPJ-Sakigake coalition administration?

[Hata] I believe that our policy will be to prevent the administration from putting off pending issues. That is basic. Although the Murayama administration says its politics is kind to the people, I wonder if those who are in power can really rule by being kind to people from the outset. Kind politics is the end result of twists and turns in government.

[Oshita] The abstract term "kind" is often phoney.

[Hata] Also, as an arguing point, yesterday (11 August), when I gave a speech at Nikkeiren [Japan Federation of Employer Associations], there was an atmosphere within the LDP indicating that it had had enough of change. Also, there seems to be a kind of nostalgia toward the "good old days," in the words of (Masayoshi) Takemura and others. They also say that it is all right for Japan to remain a small nation and not become a big nation. They use such expressions as "do not overreach" or "a shining nation." However, the world is changing with a roar. At such a time, the world holds extraordinary expectations toward Japan. I do not believe that Japan will be able to survive if it does not respond to the world's expectations



by changing. Recent moves indicate that it has conversely become conservative. Or, it is becoming defensive. I do not consider that to be good.

[Oshita] As for international contributions, this approaches what you and other had advocated.

[Hata] I agree. The desire for peace is the same, whether it is the United States or Europe or China. In Japan's case, however, it avoids serious debate, whether it concerns its own security problem or the establishment of international peace. If one stresses them, he is called a hawk. Should such a situation exist? We are not talking about immediately carrying missiles and doing something or other. However, I do believe that we should assume a certain amount of risks. Otherwise, Japan will definitely become isolated in the near future.

[Oshita] You mean to say that it is difficult with the LDP-SDPJ- Sakigake coalition?

[Hata] Yes. Moreover, it only makes fuzzy statements. I cannot avoid describing it as an irresponsible cabinet. It may sound good to say "we recognize the SDF" or "we will firmly uphold the U.S.-Japan security treaty." I believe that it has come closer to our beliefs. However, it is different concerning concrete issues. For example, Hidemasa Tanaka of Sakigake says that, if the UN asks Japan to become a permanent member of the Security Council, we should join under certain conditions. His statement is in print and has been disseminated to the governments in various nations. This is extremely dangerous.

[Oshita] What is your view about the tax system?

[Hata] My deep concern over the direction of the current government is that it is thinking in term of big government. However, a burden naturally accompanies the maintenance of big government. Unfortunately, there is a view within the LDP that, with business somewhat recovered, an income tax reduction is feasible. However, it is linked to a tax increase. Will the people really accept it? Also, in welfare-related matters, the basic necessities have expanded considerably. In the basic plan for social capital also, it is said that a supplement of 150 trillion yen is needed. If so, annual expenditures will be necessary. How is it possible? Perhaps it may be possible now, but when annual pensions and other items strain the budget, it will be rough sailing. It is easy to talk, but it means a huge number of personnel layoffs. Naturally, a reduction in numbers means lump retirement payments. How can they be coped with? Usually, an organization that supports the SDPJ opposes such measures. What can they really do in the company of such people? Can the LDP zoku [special-interest group] Diet members carry out administrative reform?

[Oshita] Another problem is deregulation.

[Hata] Japan is restructuring its economy because of the collapse of the bubble. However, it is not a complete

restructuring yet. The government should make restructuring easy and go all-out with deregulation in order to help create new industries in the new era.

[Oshita] Although you suppressed the hike in public utility fees when you were prime minister, the LDP is talking about restoring public utility fees.

[Hata] I did not speak impulsively about deferring public utility fees. The companies are now restructuring. They are even issuing national deficit bonds and cutting taxes. They must support business. At such a time, if the national and regional agencies all raise prices and they are approved, what will happen? In effect, business conditions are a state of mind. They would have an enormously bad impact. Another point is commodity prices, although the government agencies resisted at one time. In Japan, commodity prices are said to be proper and have not been rising lately. However, they are high to begin with. They are stable at high levels. If they can be lowered, the people would be helped immeasurably. In that sense also, it is odd for national agencies and local agencies to raise prices. Also, must they all be public fees? It is time they no longer are public fees. I have tried to raise debate on this issue. If they still insist on price hikes, I believe that they must be raised. If National Railways fares were raised when they should have been raised, the 40 trillion yen deficit could have been avoided. I believe that restructuring of such matters is also necessary.

[Oshita] In other words, thorough deregulation is necessary to realize those objectives. However, deregulation is extremely difficult under the present government.

[Hata] It may be distasteful to say so, but it is an irresponsible government. As I myself was a zoku Dietman, there are zoku Dietmen in the LDP. They are always lashing out at each other. I wonder if deregulation by them is possible.

[Oshita] You should probably stress it more strongly as your cause.

[Hata] I am doing so. For example, elevators cannot be built easily. There are apparently numerous regulations, and only a certain number of companies are licensed to build them. There are also a great many regulations on medical-care equipment. In a sense, it is understandable. However, in Sweden there are many excellent medical-care devices which are not allowed to be imported.

[Oshita] It is to protect the industry.

[Hata] Of course it is.

[Oshita] Relations with the zoku Diet members is also a major problem.

[Hata] There are many kinds of special corporations. They influence the agencies or the zoku Dietmen to evolve acquisition of budgets and to start opposition movements.



[Oshita] Is decentralization of power difficult for the Murayama administration?

[Hata] Very difficult. The government agencies hate to be deprived of their authority. I recall individual members of the present administration, and it is probably difficult for them. Of course there are in a lukewarm environment.

#### **Reply to Criticism of Ichiro Ozawa, a Bosom Friend**

[Oshita] Ichiro Ozawa of Shinseito has recently returned as the party's chief representative. What are the details surrounding it?

[Hata] It is an era of turmoil. At such a time, there must be someone who can race ahead at full speed with strong power. However, if he races ahead, there is an organization that has significant deterrent authority. It is a situation which is said to have seldom existed previously. It was probably about 10 days ago. Ozawa mentioned that he was "utterly tired." However, it was decided to have a policy meeting concerning issues discussed on 18 August among the leaders of the various parties. It was also decided to wrap up the talks at the end of August and establish a council in September. Under these circumstances, it is not wise to stay resigned forever. Therefore, several people got together in Tokyo and decided to move in the direction agreed upon, and to have Ozawa assume responsibility for the election.

[Oshita] He is known for his skill concerning elections.

[Hata] Yes, he is. We asked him to return as chief representative. At the same time, he was formerly the only adviser, but we will ask such cadres as Tadakazu Okuda, Kei Sato, Moriyoshi Sato, and Mutsuki Kato to serve as co-advisers, so he will not appear to be a lone figurehead. We will ask some junior members to be permanent managers and to freely express their views. Ozawa also proposed a system wherein we will listen to every member's opinions seriously and move forward with a unified viewpoint. It will be full participation by all members.

[Oshita] A new-new party will not be feasible without it.

[Hata] Ozawa says he is tired, but I am tired also. I have worked hard to help the 44 colleagues who left the LDP together and the 19 newcomers win in the elections, to look after them. I told Ozawa: "When we think of those people, you and I cannot rest now just because we are tired. There are criticisms, as you are aware." Nonetheless, Ozawa is strangely idolized. He profits from it in one respect, but is also seriously disadvantaged in other respects.

Takeshi Noda, chairman of Koshikai, discussed the future of the Ichi-Ichi [Ichiro Ozawa-Yuichi Ichikawa line] line as follows.

"Among the ruling parties of the old coalition, Hata and Komeito Chairman Ishida entered the cabinet. Party affairs were inevitably turned over to Shinseito Chief

Representative Ozawa and Komeito Secretary General (Yuichi) Ichikawa. Frankly, both Ozawa and Ichikawa were outstanding among their peers. Therefore, the Ichi-Ichi line was inevitable. However, it is different from now on. Because Hata is now an opposition member, he is outspoken in party affairs. Moreover, people of talent like Kaifu have increased. The stretching out of the Ichi-Ichi line will inevitably become impossible. It will become a collegial system."

#### **Moves by a "Junior Coalition" To Recapture Power**

[Oshita] What must be done to recapture ruling power?

[Hata] There is probably a variety of arguments. First of all, however, we want a stable force that can compete against the LDP, which is a major force of 200 members. We now consist of six political parties and four political factions. It is important to merge them into a stable force. This will also lead to stability in politics which is desired by the people.

[Oshita] During Mr. Ozawa's trip to the United States, he stated his intention to form a new-new party by the end of September, which attracted attention.

[Hata] The media makes too big a fuss over Ozawa. Why do the Japanese media neglect to follow the moves of the first-term to third-term Diet members on our side? Both Ozawa and I are able to speak about the September formation of the new-new party only because of their roles. We are like political professionals. Therefore, assuming that the new electoral system starts out in January next year, we can contemplate an appropriate system on a practical level, and we think the earlier the better it is. However, what is demanded of politics today is a stable force that can compete against the LDP. The third-term Dietmen and their juniors who make the rounds of the electoral districts sense this instinctively. Moreover, of the 200 old coalition members, 130 are third-termers or lower. They comprise 70 percent of the total. We are appealing to them to unify policy in August, to form a preparatory council for the new-new party, and to complete a draft in September. We must also respond to them.

Masatada Arai of Jiyuto [Liberal Party], Shigeru Ishiba of Shinseito, and others among the third-termers and under, excluding the Japan Communist Party [JCP], have formed the core in establishing the "Junior Coalition To Create Responsible Politics" [Sekinin aru Seiji o Tsukuru Wakate Rengo] as a movement to form a new-new party. On 12 August, Ishiba and others further established the "Reformist New Party Study Group" [Kaikakuha Shinto Kenkyukai]. Ishiba's purpose was as follows:

"We decided to call ourselves the reform faction because there are reformists not only among the third-termers and under of the opposition parties, but also among the LDP and SDPJ, and among the academics and the labor



unions. They are not limited to the so-called old coalition ruling parties or to those who voted for Kaifu in the recent nomination of the prime minister. The purpose is to gather a broad scope of reformists. With amalgamation of the Junior Coalition and the Reformist New Party Study Group, we will launch a new-new party concept by mid-September. We will ask the four-termers or longer members to join us in support of the proposal. Among the junior members, there is no Komeito or DSP or JNP. We have decided to stop talking about party affiliations. Mr. Hata was unable to accommodate us, but he took a paper on the proposal to Mr. Ozawa and showed it to him. Ozawa read the paper and remarked: 'This is good. Carry it out accordingly.' He did not question it at all. He also remarked thoughtfully: 'Ishiba... well, why cannot the others understand as well, when it is so simple to form a new-new party? If I were the LDP secretary general, I would dissolve the cabinet soon after the redistricting bill is passed. The LDP could thus gain a major victory while we of the opposition are floundering. There are not too many who understand what a small district electoral system means, or how politics has changed, or where political reform is headed.' I heartily agreed."

#### **Transcending the Gradualism Theory on New-New Party Formation**

[Oshita] Nonetheless, the JNP and the DSP still appear to be resisting Shinseito and Komeito.

[Hata] There is the thinking that we should first form a group of like-minded people. However, can it really move politics? Can there be cooperation in the election if the cabinet is dissolved? If a new party is formed, a party organization must also be formed. At such a time, can it really cope with a bipolar or tripolar membership? In reflecting on the past 10 months as a coalition of ruling parties, we acted in concert to mutually transcend various boundaries and to aim for a unified politics. From the standpoint of accurately and swiftly responding to present-day politics, I believe it is important to unite to form a new-new party as soon as possible. If we struggle separately, we will ultimately fight over leadership as Sakigake once did. Each of us would want to field as many candidates as possible. How can we cooperate then? It is an undeniable fact that democracy means numbers. However, it will also mean that we will fight over numbers. In such a case, cooperation in the election will be impossible.

Masatada Arai of Jiyuto talks about gradualism vis-a-vis the new-new party as follows:

"They say that not all of the old coalition members should join the new-new party at once. The gradualism theory contemplates instead a strategic cooperation with Rengo [Japanese Labor Union Confederation]. Not everyone among the pro-gradualism faction thinks so. There are some who emotionally dislike the Ichi-Ichi line. Such childish members aside, from a strategic standpoint, it would create a stronger united new party

in the future. We must cooperate with Rengo until the last moment. Consequently, there is no time limit. On Rengo's side also, there must be a time limit within which they will be willing to encourage us to unite because it is inevitable. The limit is the extraordinary national SDPJ convention on 3 September. Rengo is waiting now and indicating to the SDPJ that the LDP and SDPJ cannot conduct the election by themselves. Will the SDPJ unite with the LDP in the administration and the election? Or will it separate from the LDP and seek formation of a new force? It is told to produce a conclusion by 3 September. If the SDPJ should continue to go along with the LDP without a conclusion, we can say to Rengo that we can wait no longer. That is the gradualism theory. I believe that the SDPJ will not be able to arrive at a conclusion, and that the time to form a united faction will come after 3 September, at which time the gradualism theory will expire. Simultaneously, there will be a possibility of splintering within the SDPJ. The redistricting bill will be passed under such circumstances. It is a delicate matter as to how it will pass, but we will perhaps move on to the new party this year or early next year about the time of the restructuring dissemination period."

#### **How To Evaluate the Small-District Electoral System**

[Oshita] On 18 August, Koichi Kato, chairman of the LDP Policy Research Council, stated that a new-new party of the LDP and SDPJ is possible.

[Hata] That is extremely interesting. If they embark on it, a restructuring of the political world will be inevitable. If the SDPJ leftwing and the LDP rightwing should unite, the world will become interesting. However, does the entire LDP agree? Are they discussing it with the SDPJ? Or is it Kato's personal idea? In any case it is a good idea. It will add momentum to political restructuring. I welcome it.

[Oshita] There was a simulation in the newspapers the other day. If the opposition side does not get together, the old coalition side could be completely outdone by the LDP.

[Hata] The result (of the simulation) was doubtful. The present LDP supporters are not seriously in favor of it. There are voices heard in the regions that they will not be fooled by the LDP-SDPJ coalition which is artificial. They are angrily asking how it can explain the past record. Although some say that support for the LDP has risen somewhat, it is not adequate to enable the LDP to put up a fight. If this is true, why does it not want an election right away?

Hajime Ishii, standing secretary of Shinseito and a commonly acknowledged election pro, spoke about the election under the small district system as follows:

"On the ruling parties' side, the LDP has 200 candidates, the SDPJ has 73 and Sakigake has 21, totaling 294. They are short of the 300 seats by only six, so they cannot field



a single newcomer. Also, distribution is quite a problem. That is, the sparsely populated regions are densely saturated, like Ehime and Gunma, or like Kagoshima, Kagawa, and Shimane. It is limitless. In effect, there are seven candidates for four seats, and six candidates for three seats. Among the 294 candidates, many LDP and SDPJ members will automatically be eliminated. Next, there are about 115 districts where the LDP and SDPJ will clash with no possibility for coordination. That is one-third of the 300 districts. Another interesting fact is the lack of LDP or SDPJ candidates in the suburbs of the densely populated large cities. In the suburban districts, the LDP has dropped to a party with one-third, one-fourth, or one-fifth of the votes. In a small district system, it can garner only one-fifth of the votes. However, a candidate needs one-half to win. In such a case, our strength as a coalition will emerge. In Osaka, for example, we have Shojiro Shiokawa with eastern Osaka as his base. I believe it is the 13th district. Shiokawa is very strong in eastern Osaka and won 49,000 votes in the previous election. However, Akira Nishino, a Shinseito newcomer, was runner-up with 43,000 votes. The difference was 6,000 votes. Komeito won 39,000 votes and the DSP took 35,000 votes. Therefore, Shiokawa will not be able to win in his district. Such cases are springing up everywhere in the major suburbs. Conversely, in the countryside, there is a surplus of LDP candidates who would lose out. In effect, the strength of our joint forces will be reversed, depending on the sparseness or density of the district. Today, when a new system is about to be instituted for the first time in 70 years, once we gain the public trust, there will be a strong possibility for a non-LDP administration to emerge. If we do not battle under a new-new party, the LDP will win. If we fight with a new-new party, the new party will definitely win. That is the present situation. Therefore, the new-new party will materialize without our need to rush."

Satsuki Eda's forecast of the SDPJ in the next general election is also severe.

"Chairman Akira Yamagishi of Rengo stated that the labor unions will not cooperate with the SDPJ in an LDP-SDPJ coalition. Until then, the SDPJ had garnered 20 percent of the votes. However, this will change drastically. It will suffer particularly in the Upper House election. In 26 one-seat districts, the LDP will win three, while the remaining 23 districts will be split 50-50 between the SDPJ and the Democratic Reform Parliamentary Group [Minshu Kaikaku Rengo]. The Democratic Reform Parliamentary Group is taking an opposition-party stance. It will be caught between the LDP and the old coalition ruling parties. The LDP-SDPJ coalition is in charge of the administration, so they cannot attack the LDP in the election campaign. They cannot seek support from the old coalition parties because they are in opposition to the administration. The LDP will not seriously support the SDPJ. The situation has never been so damaging to the SDPJ. Let us assume that the LDP concedes the SDPJ's dozen or more seats intact to the SDPJ. What happens if an opposition party comes in

with its candidates? The conservative votes will undoubtedly go to the opposition party, depending on the candidates. Also, the LDP may not support the SDPJ, but field its candidates as independents. The SDPJ will then lose these votes also. The SDPJ will probably be annihilated. It was rare in the past for the SDPJ to win in a one-seat district. It will probably lose completely in the one-seat districts in the next election."

Now, what about the two-seat districts?

"The LDP and the SDPJ will probably run separately and try to stabilize the districts for their respective candidates, but it will not be so simple. If they run separately, there will be the opposition candidates. Who will win in a three-way race? Because the SDPJ is aligned with the LDP, it cannot criticize the LDP as it did before. While criticizing the opposition, it will plead for support for the SDPJ which is aligned with the LDP. Can it simply say: 'Please vote for the SDPJ because the prime minister is from the SDPJ'? It cannot win so simply. There is a possibility of the SDPJ being annihilated in the two-seat districts also."

What about the three-seat districts?

"The three-seat or larger districts are located in the large cities. With its low performance, the SDPJ will probably face a crushing defeat here also. It could have four or five winners at best in the upper house parallel-representation districts."

What about the lower house?

"The LDP will probably run separately from the SDPJ and Sakigake. With roughly 300 candidates from the LDP, 170 from the SDPJ and 50 from Sakigake, or a total of 520 candidates, can they be squeezed into 300 districts? It is an extremely difficult proposition."

A crushing defeat for the SDPJ appears to be certain.

#### **Coordination of Candidates in the Next General Election**

[Oshita] The problem is that there are people in both the SDPJ and the LDP who want to run on the side of the old coalition. What is the deadline?

[Hata] We do not know when the election will take place. If they cannot decide, no one will be able to move. There has to be a certain time limit.

[Oshita] Until the formation of the new-new party?

[Hata] It would be nice if they can decide by then.

[Oshita] When the redistricting becomes definite, the SDPJ will know whether it has a chance. Those who are worried will probably come to you. Are you prepared to respond to them?

[Hata] Of course. We must consider it.

Hajime Ishii's view on the SDPJ's posture toward the election is as follows:



"There are 36 SDPJ incumbents who will lose if they remain, but they could survive if they ask for our cooperation. I have approached some prudent SDPJ members in my home district in Hyogo Prefecture and have advised them: 'Do not rush, but stay with the SDPJ because it is difficult to leave now. However, if you do not or cannot promise to join us in the next election, we will not cooperate with you. You must make your decision before the election.' We are conducting a simulation to enable them to survive in the parallel-representation districts if coordination is not feasible in the small districts."

[Oshita] Finally, who will become the head of the new-new party?

[Hata] That does not matter. The other day, a certain person said that we should have our own election. Of course it is not good for only several persons to secretly select the party head. It is probably better to do it openly in order to have all members see what the party is like.

[Oshita] You mean to decide it in an election?

[Hata] It has not been decided yet, but it is one method. In any case, instead of thinking about that now, it is necessary for everyone to first become a buck private. It is not the time to worry about your own role, or we can never get together. I believe that the conclusions will come naturally.

It is said that the extraordinary Diet session will be held in late September. How can the old coalition, which will undoubtedly form a major unified faction for the election, attack the contradictions in the LDP-SDPJ-Sakigake administration? That will be the turning point.

[Boxed item: *Eiji Oshita*—Born 1944 in Hiroshima. Graduated from Hiroshima University literature department. Worked as a weekly magazine reporter from 1969 and made his debut as a writer in 1981 with a book entitled *Dentsu Novel*. Has published 10 books successively.]

### Editorial Criticizes Government Sale of Stock

952A0087A Tokyo YOMIURI SHIMBUN in Japanese  
22 Oct 94 p 3

[Editorial: "Market Rebelled Against Sales of Japan Tobacco Shares"]

[FBIS Translated Text] The sale of Japan Tobacco [JT] stock that soon will be listed on 27 October has failed. It indicates a complete demolishing of the bubble era myth that "new public offered stocks always will go up."

The Ministry of Finance [MOF] has taken the course of supplemental allocations and extension of the payment period, but about 60 percent of the 437,000 shares generally offered for sale remain unsold. The offering for sale of the previous privatized stock of NTT and JR [Japan Railways] East Japan was so overheated that it

was unthinkable that any would remain unsold. It can probably be called an unusual situation.

Besides MOF's expectation to secure a government bond redemption revenue source going greatly awry, they will probably be forced to review the plan for the sale and listing of JR West Japan stock and JR Tokai stock, which are anticipated next year. There also is concern that the sluggish securities market will fall further.

The greatest cause for being unsold is the high offering price of 4.138 million yen. It was set by the government on the basis of the results of competitive bidding that was conducted in August, but it far exceeded the general expectations of institutional investors and others. They must quickly revise the sales method for privatized stock.

The current method is a "combination bid and sales method" which first has competitive bidding for a fixed percentage of the privatized company stock sold; the offering price is decided on the basis of the weighted average of successful bids, and the remaining stock is generally offered at that price.

The method has been used since the first sale of NTT stock in order to expect fairness and impartiality in price determination, but the mainstay of competitive bidding is individual investors who are easily swayed by mood, and there is a strong tendency for the successful bid price to be remote from the actual situation in the firm, including performance. It should be changed to something with a flexible, maneuverable sales method such as having more institutional investors participate in competitive bidding and promoting calm price formation or separation of bidding and sales and permitting the discretion of securities companies in deciding the offering price.

It is also necessary to shorten the period from bidding to listing to enable response to market fluctuation.

The MOF should reflect on its idea of the most preferred financial conditions. The desire to secure as much sales profit as possible under difficult financial circumstances is understood, but setting a high price that ignores the market has boomeranged into a large quantity unsold stock and has been a setback for the plan to sell privatized stock in the future.

The securities industry also cannot escape responsibility. Wasn't there excessive operation by securities companies that tried to make the JT stock listing an active agent for the sluggish market behind the sales drawing multiplier reaching 18 times while the high offering price had been pointed out?

It is also doubtful that securities companies fully transmitted information on the character of JT stock and the future of the company to investors. The amount of JT stock which can be sold is limited by law to one-third.



The actual situation that it is a special stock where general stockholders virtually do not have voting rights was not known at all.

It seems also that a considerable number of investors intend to earn a short-term spread by selling off when the stock price has risen after listing. The stock price will not rise because everyone aims to sell off in the short term. Public announcement by the listed company beforehand of a policy to give stock split incentives to long-term owners probably would be effective to create stable stockholders.

It can be said that the fact that MOF, the securities industry and investors all could not extricate themselves from bubble era concepts was to blame for the failure in the sale of JT stock.

### Foreign Reserves Hit Record High in Oct

OW0111101494 Tokyo KYODO in English 0830 GMT  
1 Nov 94

[FBIS Transcribed Text] Tokyo, Nov. 1 KYODO—Japan's foreign exchange reserves increased 2,967 million dollars in October from September to hit a record for the eighth straight month, the Finance Ministry said Tuesday.

The all-time high of 120.55 billion dollars in outstanding reserves as of the end of October apparently endorsed the continued intervention by the Bank of Japan (BOJ) to check the yen's rise against the U.S. dollar.

The October rise also represented the 12th consecutive month-to-month increase since November last year, the ministry said.

The foreign reserves include convertible foreign currencies, gold and International Monetary Fund special drawing rights.

Asked about the reasons for the growth in foreign reserves, a ministry official said there are several factors, including profits from fund management, interests related to deals with the IMF and market operations by the central bank.

Market dealers said the central bank evidently continued to buy billions of dollars in October to prevent the yen from renewing its postwar highs in Tokyo.

The ministry official said the dollar started the month at 98.63 yen and ended at 97.37 yen in Tokyo dealings, ranging from its record high of 96.55 yen on October 21 to 100.65 yen on October 11.

The fluctuation of 4.10 yen was rather big, following a 6.73 yen range in June, when foreign reserves sharply increased by 4.5 billion dollars, the official said, though declining comment on the relation between the yen's appreciation and the growth in foreign reserves.

Japan's record high outstanding reserves at the end of October was close to a global record of 125.2 billion dollars marked by Germany in September 1992, he said.

As of the end of August, Japan remained the world's largest holder of foreign reserves for 12 months in a row, amassing 115.8 billion dollars.

Taiwan came in second with reserves of 91.1 billion dollars, followed by Germany with 89.1 billion dollars. The United States posted 78.0 billion dollars and Singapore 52.9 billion dollars.

### Mieno: Economy 'Moderately Recovering'

OW01111054094 Tokyo KYODO in English 0327 GMT  
1 Nov 94

[FBIS Transcribed Text] Osaka, Nov. 1 KYODO—The Japanese economy is "moderately" recovering, with confidence gradually increasing, although concerns about the yen's rise remain, Bank of Japan Governor Yasushi Mieno said Tuesday [1 November].

Mieno said in a press conference that the effects of the yen's rise are "neutral," with buoyant exports helping companies weather the bad effects.

But Mieno said he could not take his eyes off the currency market, where exchange rates have been "unstable" recently.

Mieno reiterated that the consensus among major nations to achieve stable currency rates remains strong, and Japan will maintain close contact to take "timely and appropriate" action.

Concerning deflationary pressure from the yen's rise so far, Mieno stressed that corporate sales are declining but profitability is improving amid continuing restructuring efforts.

The central bank chief, in Osaka for discussions with local business leaders, said the "hollowing out" of Japanese industry is "inevitable."

He said such moves to shift production overseas, chiefly to East Asian countries with cheaper labor, were spurred by the high yen but also reflect global trends.

Mieno said companies should take this trend "positively, instead of being overly pessimistic."

Japanese industry should focus on "high value-added products," while keeping in mind an "international division of labor," he said.

Mieno stressed that the Japanese economy is moderately recovering with the help of continued support from housing investments, public works spending and spreading bright spots in personal consumption.

He added industrial production is also improving and the outlook for the October-December quarter is "bright."



The central bank chief, however, reiterated that concern over the economy lingers in some respects, including "uncertain" corporate capital investment and the direction of currency rates.

He said a close watch needs to be maintained on the trend in personal consumption, which is currently recovering, after such temporary factors as the hot summer and income tax cuts fade out.

Against this backdrop, Mieno reiterated that the central bank will check the "pace and sustainability" of economic recovery, noting that the current monetary policy is "wait and see."

Asked about rising long-term market interest rates, Mieno said "immediate adverse effects are unlikely," stressing that the upward trend reflects market optimism about economic recovery.

"Forcing rates lower is unnatural," he said.

Turning to the question of bad loans accumulated by financial institutions, Mieno said they have "peaked" and the situation is going in a "favorable direction."

But overall, liquidations of nonperforming assets and improvement of cash flow are still "midway" to completion, he said.

Mieno said the problem of bad loans is of the "utmost concern" and calls for settlement as quickly as possible.

#### **BOJ on 'Path of Recovery'**

*OW3110132294 Tokyo KYODO in English 1124 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japanese companies are on a path to an earnings recovery in fiscal 1994 or soon afterward after a series of restructuring measures taken to weather the latest economic slump, the Bank of Japan [BOJ] said Monday [31 October].

In a report assessing corporate activities for fiscal 1993 that ended March 31, the central bank said labor costs in all industries except the oil refining industry took the largest drop in 20 years as a result of corporate restructuring.

Among other statistics bolstering the central bank's view, labor costs fell by an average 1.3 percent, the report showed.

Depreciation expenses also fell for the first time in 21 years, while raw material costs slid for the second year in a row thanks to the strong yen and a cut in manufacturing costs, it showed.

As a result, the break-even point for manufacturers, or the sales point at which companies matched costs, fell for the first time in seven years, a sign that profitability is set to rise.

The central bank said this suggests pretax profits will rise 18.2 percent in fiscal 1994 that ends next March for the first gain in five years.

#### **Mieno Says Low Rates May Cause Inflation**

*OW0111101394 Tokyo KYODO in English 0905 GMT 1 Nov 94*

[FBIS Transcribed Text] Osaka, Nov. 1 KYODO—Bank of Japan Governor Yasushi Mieno said Tuesday that "unnecessarily low" interest rates may cause inflation now that the economy is moderately recovering.

The central bank chief made the comment during a discussion session with Osaka business leaders who called on him to keep interest rates low.

Mieno conceded that low interest rates are desirable but cautioned that forcing rates lower might lead to a sharp reaction later on.

Mieno said that recent rises in long-term market rates were in line with the state of the economy and stressed that the central bank will only act to prevent "overshooting" of interest rates.

Speaking of the economy generally, Mieno said he sees prospects for a sustainable growth without inflation.

Touching on currency rates, Mieno told the business leaders that it is a misperception to think that the U.S. Government favors a weaker dollar.

The Federal Reserve is vigorously acting to control inflation, which partly explains the dollar's recent fall "on a broad front," Mieno said. He expressed hope that the market will understand what he said is the true U.S. intention.

Fueling the yen's rise is Japan's huge current account surplus, Mieno said. To curb the surplus, he said, Japan should increase investment through such longer-term measures as improving social infrastructure and deregulation.

Mieno encouraged the business leaders by saying that the "hollowing out" of industry in Japan is also a global trend and will actually lead to further industrial advancement.

He said overseas production will eventually account for 10 percent of all output by Japanese companies, but noted that is still low compared to Germany's 20 percent and 30 percent for U.S. companies.

The central bank chief expressed hope that the business leaders will take the initiative to develop new products and businesses through their "entrepreneurship."

#### **Komura: Low Rates Desirable**

*OW3110115494 Tokyo KYODO in English 1115 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Economic Planning Agency head Masahiko Komura told



the Diet on Monday [31 October] that low interest rates are desirable for the present condition of the domestic economy.

Komura, speaking at a session of the House of Representatives Special Committee on Tax Reform, said a national bond issue to raise funds for income tax cuts was responsible for rising interest rates.

Theoretically, interest rates rise as a result of the government's economy stimulating measures but in the present economic conditions, low interest rates are desirable, he said.

Finance Minister Masayoshi Takemura brushed aside an argument by an opposition interpellator that two-tier tax cuts planned by the government in the next fiscal year will have little impact on economic recovery.

Takemura said it is a transitional step but nonetheless will play a major role if carried out at an appropriate time.

#### Further on Interest Rates

*OW3110092094 Tokyo KYODO in English 0835 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Japanese manufacturers are unlikely to boost capital investment for the time being, with mounting pressure for deflation and higher interest rates squeezing profitability, the Industrial Bank of Japan said Monday [31 October].

A dormant recovery pace of capital investment will be "inevitable in and after 1995" compared to the past economic recovery phase, the bank said in a report analyzing latest public and private statistics, including its own survey conducted in August.

The previously released survey showed manufacturers are to cut capital spending by 7.1 percent in fiscal 1994 from a year earlier and by 6.4 percent in fiscal 1995 after posting a 17.7 percent reduction in fiscal 1993.

Corporate capital spending is now being closely watched by economic pundits to assess the upward potential of the barely recovering economy as one of the key engines along with personal consumption.

The bank cited rising market rates and mounting deflationary pressure as the prime factors for preventing manufacturers increasing spending when returns on facilities and equipment are unlikely to recover.

Long-term interest rates have risen to levels that do not reflect economic fundamentals, and are expected to remain high, a senior bank economist said, pointing the market's overly optimistic view in the past over economic recovery.

Deflationary pressure, or the so-called "price bust," undermines profitability to cool off investment sentiment at manufacturers, the bank said.

Under these circumstances, companies are instead expected to step up moves to shift production overseas while increasing liquidation of domestic plants and facilities, the bank said.

In the medium term, however, manufacturers are inclined to boost capital spending for labor-saving and new businesses in a bid to further streamline their operations.

#### Deregulation Boosting GDP by 1.6 Percent

*OW3110104594 Tokyo KYODO in English 1016 GMT 31 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 31 KYODO—Deregulation measures will push up Japan's gross domestic product (GDP) by an average 1.6 percent each year during the next five years, the Economic Planning Agency (EPA) said Monday [31 October].

A report compiled by an EPA committee said the easing of various government regulations will create new jobs and help push down prices, resulting in 8 percent GDP growth over the five years.

To attain such economic expansion, the report said, Japan's industries will make 3.37 million workers switch their jobs in five years.

In particular, nearly one-third of the workforce, or 914,000 people, in the agriculture, fishery and forestry sector will be forced to leave such jobs to move to other businesses, it said.

The report said the most promising business sector for the Japanese economy should be multimedia, whose market capacity will reach 6 trillion yen in 2000, creating an additional 260,000 jobs.

Japan's annual economic growth remained less than 0.5 percent for the second consecutive year in fiscal 1993.

If the deregulation plan is promoted, manufacturing capacity will go up in various business sectors and prices will drop, helping to correct the gap between prices inside and outside Japan, the report said.

The report said 402,000 employees in the telecommunications and transport field are expected to leave their industries, while 223,000 workers will depart from the food-related business.

In contrast, the service sector will take in 939,000 new workers, while the machinery and chemical industries will acquire 358,000 and 252,000 new employees, respectively, it said.

An analyst said the deregulation plans, which will enhance economic efficiency, will force the government to get ready for bigger-than-expected employment adjustment.



### **Yen's Rise Continues To Lower Retail Prices**

*OW2810083194 Tokyo KYODO in English 0741 GMT  
28 Oct 94*

[FBIS Transcribed Text] Tokyo, Oct. 28 KYODO—The yen's rise continued to benefit consumers in October, with lower import prices passed on steadily to the retail side, the Economic Planning Agency reported Friday [28 October].

Of 20 major selected items, customs-cleared prices of 12 goods fell from a year earlier in September, and the retail prices of 11 of the 12 dropped in Tokyo in October, the agency said in a monthly report.

The weighted average retail price in October for the 20 imported items dropped 2.9 percent from a year before, compared with a 1.1 percent drop for the September customs-cleared prices, the agency said.

The U.S. dollar averaged 99.25 yen in September, down 4.9 percent from 104.37 yen a year before, and averaged 98.65 yen in October as of Friday, down 7.7 percent from 106.92 yen.

The 11 retail items whose prices fell were beef, bananas, oranges, grapefruits, tea, beer, wine, whiskey, dress shirts, subcompact cars and golf balls.

But retail price of tennis rackets rose despite lower customs-cleared prices, and both sets of prices rose for shrimp.

Retail prices of chocolate, spaghetti, golf clubs and electric shavers fell despite higher customs-cleared prices.

The Finance Ministry separately reported that customs-cleared prices for 17 items declined from a year earlier in September among its 30 major surveyed items, with 11 goods posting double-digit declines.

Analyzing the trend since the ministry started reporting the figures in September last year, an official said, "prices have declined steadily, reflecting the yen's rise."

### **Taiyo Oil Begins Buying Saudi Low Sulfur Crude**

*952A0083A Tokyo NIKKEI SANGYO SHIMBUN in  
Japanese 18 Oct 94 p 11*

[FBIS Translated Text] Taiyo Oil Co. announced on 17 October that it is spot-purchasing 900,000 barrels of Arabian super light, a super-light low-sulfur crude oil which Saudi Aramco, the state-run oil company of Saudi Arabia, will begin to ship in the first part of November. The purchase of this crude oil is the first time for an oil company in the world. Japan's major oil companies have had a cautious attitude about immediate purchases, wanting to see the price and quality, but Taiyo Oil assessed the low sulfur nature and stability of supply and decided on purchase. If refining results are good, the company is considering purchase under a long-term contract next spring and thereafter.

Saudi has been reducing shipments of heavy crude such as Arabian heavy ever since this spring and has been switching to light crude with a high unit price in order to expand oil earnings. The start of Arabian super-light shipments follows this strategy; at an American Petroleum Institute (API) specific gravity of 50, it is the lightest of the crude oils which Saudi exports. The total amount of shipments is 200,000 barrels a day and, aside from Taiyo Oil, prospects are that European and U.S. oil companies will be the center of purchases.

Since Taiyo Oil has no desulfurization equipment or full-scale heavy fraction cracking equipment at their Kikuma Refinery (Ehime Prefecture), their sole refinery, they previously had met demands on the product quality side by procurement of Southeast Asian light low-sulfur crude oil such as from Indonesia and Brunei. Since price fluctuations have been great, however, they are attempting to diversify procurement sources by purchase of the same grade crude oil from Saudi.

In the quality aspect, Arabian super light has the advantage of both a high cetane number related to diesel engine combustion performance and high smoking point which is an important property for household kerosene use. However, there are problems such as the loading port being Yanbual on the Red Sea side, a disadvantage in heading for Japan, and there are doubts that other Japanese oil companies will purchase it in the future.

### **JGC Wins Saudi Refinery Modernization Contract**

*952A0082A Tokyo NIKKEI SANGYO SHIMBUN in  
Japanese 20 Oct 94 p 28*

[FBIS Translated Text] JGC Corp. received an order this summer from Saudi Aramco, the state-run oil company of Saudi Arabia, for a refinery modernization project. It is part of a project totaling \$1 billion, the largest since the Gulf war, and the amount of the contract is about 15 billion yen. While it seems that U.S. influence is strong and Bechtel will receive an order for the majority of the project, it is the only inroad for Japanese forces and it can develop into an advantage for future Saudi business talks.

The deciding factor for receipt of the order was price. They are preparing for quick overseas procurement of materials and a design management transfer system in both aspects of personnel and information network, and the possibility is stronger that they will be able to produce a profit with the low order amount. While forecasting a decrease in profits this term, the recurring profit rate towers above the rest at 6.13 percent. Even in Thailand where the record of Chiyoda Corp. has been strong, JGC received an order for a lubricating oil plant in the amount of 22 billion yen. The company is steadily demolishing the strongholds of other companies.

The rebound of material prices accompanying the slow recovery of the economy is a cause of concern. The



ordering of materials will occur about a year and a half after the contract and receiving a cheap order shows that the company has confidence in working the project, but in fiscal 1995 and thereafter, it inevitably will be below cost. Chiyoda raised its overseas procurement rate to the 80 percent level this term and the quick following by other engineering companies has been conspicuous. Further cost-cutting such as overseas transfer of management in the design division has been an urgent task for JGC's maintenance of superiority. While emphasizing its main oil- and gas-related business, it will be necessary to hasten cultivation of new business to compensate for the decrease in orders.

### 15 Engineering Firms Form Indian Joint Venture

952A0084A Tokyo *NIHON KEIZAI SHIMBUN* in Japanese 18 Oct 94 p 13

[FBIS Translated Text] Fifteen Japanese companies such as Marubeni and Toshiba have completed a survey on commercialization of a coal thermoelectric power plant (total output of 500,000 kilowatts) being planned in India and have submitted a planning document to the local government of the state of Maharashtra. They will establish a joint-venture company with an Indian company and operate it by the build-operate-own (BOO) method, contracting for one package that includes from construction to operation. The new project of about 75 billion yen will get under way within the year.

Under the plan, they will construct two 250,000 kilowatt power plants in the Kaparukeda [as transliterated] area of the state. They will establish a management company in a joint venture with the Taparu Group, a local financial conglomerate. After the plant is in operation, they will conclude a contract for the sale of electricity with the Maharashtra Electric Power Agency, and recover the project cost. It will be the first BOO case that Japanese companies have handled in India. They will start full-scale survey of commercialization after receiving the unofficial announcement document, will start construction in 1997 at the earliest and aim for operation in 1999.

Besides the two key companies on the Japan side, a subsidiary of Tokyo Electric Power, Toden Sekkei, Hitachi, Ishikawajima Harima Heavy Industries, Toyo Engineering, Itochu, Mitsui and Co., Mitsubishi Corp., Nissho Iwai, Sumitomo Corp., Tomen, Kanematsu, Bank of Tokyo, and Sakura Bank for a total of 15 companies will participate. The capital and investment percentages for the management company will be decided later.

There was a request for construction of this power plant from the Indian government to the Japanese-Indian Economic Cooperation Committee of the Japan Chamber of Commerce and Industry in 1992, the committee dispatched a survey team twice to study commercialization. India is aggressively trying for introduction of overseas capital to eliminate the power shortage and is

issuing government guarantees in seven cases centering on U.S. and British companies.

However, there are many difficult points such as capital procurement, establishment of electric power rates, and collection method, and there still are no projects that have begun in the case of foreign capital in the electric power sector. The BOO method differs from the regular order contract of building a plant and handing it over, and the investment will be recovered by management for a long period after the start of operation. The risk of falling below cost also is great, but the form of ordering with this method is increasing with the capital shortage in developing countries. Since the Japan side is anticipating infrastructure provision and energy-related projects in India, they would like to make this project a specific precedent for the BOO method.

### Makers Boost Sales of Solar Power Systems

952A0078A Tokyo *SANKEI SHIMBUN* in Japanese 12 Oct 94 Evening Edition p 3

[FBIS Translated Text] This year has become the "first year of popularity" for solar batteries. Solar battery manufacturers such as Sharp and Kyocera are putting effort into sales of solar power systems for home use. Since the Ministry of International Trade and Industry [MITI] began soliciting monitors to set up systems this fiscal year, they have judged that it will spur introduction into the home. Taking advantage of this, various companies are thinking of expanding full-scale into the home solar power business which they have researched and developed for over 10 years.

MITI was soliciting about 700 monitors and 11 October was the closing date. Since monitors will receive a subsidy of about half the amount of the costs for setting up systems, it is said that several thousand inquiries have been made to various companies. In addition to various companies proceeding with business talks steered toward explanations for each individual, Kyocera and others are holding explanation meetings at some 20 locations nationwide. The various companies have been fighting furiously to secure a fixed share.

The nation also is pushing the use of clean solar energy, and the manufacturers have great expectations that "latent market demand is some trillion yen. It will become a mainstay of business in the future" (Sanyo Electric). However, even with the MITI subsidy, the consumer burden will be 3.3 million yen for a standard 3 kilowatt system with a price of 6 million yen. With calculations that it will take over 30 years for depreciation, the cost is high compared to purchase of regular electric power. Various companies have plans to proceed with mass production of solar batteries and promotion of low prices along with expansion of the market, but for the time being prospects are that they will have to rely on national policy for "continuance and expansion of the subsidy system" (Kyocera).



### Teikoku Oil Pursues Methane Hydrate Development

952A0081A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 21 Oct 94 p 12

[FBIS Translated Text] Teikoku Oil has applied for a development mining area off Mie Prefecture in order to develop deep sea floor methane hydrate, which has become notable as clean energy for the 21st century. Methane hydrate is a mixture of methane, the chief component of natural gas, and water in a sherbet form, and research indicates that 4 trillion to 6 trillion cubic meters, equivalent to 60 to 100 years of Japan's natural gas demand, are buried in the South Seas trough which extends offshore southwest of Honshu. The company is thinking of researching the possibility of developing methane hydrate in this mining area and is proceeding with accumulation of technology.

Teikoku Oil has made an application to the Chubu Regional Bureau of International Trade and Industry for a mining area of 1,439 square kilometers 40 kilometers offshore of Shima Peninsula. This sea area is the continental shelf with a water depth of over 800 meters. As the result of physical probes conducted in Japanese waters, a layer which appears to be methane hydrate has been confirmed under the sea floor in this sea area. They are proceeding with development of technology with the start of trial boring in 1999 as the goal.

Methane hydrate is a fusion of 216 parts methane to 1 part water in volume ratio. There also is a danger that a sudden gushing or structural destruction of methane will occur if pressure or temperature conditions change. Teikoku Oil plans to establish technology to harvest it while keeping the methane hydrate layer stable. Moreover, since the structure is spread wide and thin horizontally, different from crude oil or natural gas, they view that the know-how to hold down the number of wells and produce it at low cost also will be necessary.

Oil Resources Development and the Japan National Oil Corporation are embarking on methane hydrate research and development in Japan.

The realization of methane hydrate development is still considered an unknown quantity worldwide, but the possibility cannot be denied that it will rise as cheap energy in place of liquefied natural gas (LNG) and liquefied petroleum gas (LPG) in the future. Moreover, there is a strong view that a natural gas layer exists under the methane hydrate layer. Based on this possibility, the strategy of Teikoku Oil is to secure the methane hydrate development mining area starting with this one off Mie Prefecture.

### Joint Company To Manage Internet Access

OW3110134994 Tokyo KYODO in English 1255 GMT 31 Oct 94

[FBIS Transcribed Text] Nagoya, Oct. 31 KYODO—Internet Initiative Japan Inc. (IIJ) and 11 other firms set

up Monday [31 October] a joint company to manage a local access point for Internet, the international web of computer networks, the Japanese operator of Internet said.

The 11 other firms participating in the joint concern, called IIJ Tokai, include Toyota Motor Corp.

The establishment of the joint company will provide advice on how to use Internet and allow computers users in Nagoya and its neighboring areas to access Internet at lower costs, IIJ said.

Internet, a U.S.-based research-oriented network comprised of over 1,000 government and academic networks, links 156 countries.

About 1,800 Japanese companies are involved in the network to have access to information about U.S. patents and new products.

### VOD Standardization Efforts Viewed

952A0080A Tokyo NIKKEI SANGYO SHIMBUN in Japanese 24 Oct 94 p 9

[By Tetsuya Iguchi]

[FBIS Translated Text] Work for the standardization of video-on-demand (VOD) systems by the Digital Audio-Visual Council (abbreviated DAVIC, headquarters in Geneva), a private international group in multimedia-related technology in which electronics and communications-related corporations participate, will start on a full-scale this month. For Japanese manufacturers who have been led by U.S. manufacturers in VOD development, it will be a fitting stage for a comeback. However, the future is still quite unclear about the fight between the various companies of Japan, the United States, and Europe to secure leadership and whether standardization of VOD that is immature both in market terms and technologically will be realized so easily.

"Several Japanese companies probably also will submit technology proposals. Of course, our companies are proceeding with independent development and intend to improve their skill." The technology team of Nippon Telegraph and Telephone (NTT) which has been deeply involved in the establishment of DAVIC thus relates their enthusiasm.

DAVIC was formally inaugurated in June 1994. Seventy-six companies/groups (as of September) in the world such as the U.S. firms of Microsoft, IBM, Oracle, and Digital Equipment (DEC); the Japanese firms of Nippon Hoso Kyokai (NHK), NEC, Fujitsu, Hitachi, Toshiba, and Sony; and European forces such as British Telecom and Alcatel are participating. It is a plan for completing standardization of VOD systems by the end of 1995.

As the first step in the standardization work, they prepared and sent a letter of request for submission of technology proposals to each member company on 14



October. Companies who plan to sell their own technology for the standard will declare that intent by 15 November and submit proposal details by 5 December.

DAVIC will receive these proposals, evaluate the technology of each company, and, after narrowing it down to several standard systems, it seems that they will proceed with standardization work in the direction of establishing the interface technology for connecting the different video servers and set-top boxes of the systems.

For the various domestic electronics companies that have positioned VOD as one of the leaders in the multimedia business, it is fitting that at least "an arena" has been created in which they can fight in the standardization competition with U.S. manufacturers who are in the lead.

That is to say, it is because it seems that in development of VOD systems, U.S. computer companies such as Silicon Graphics (SGI)-Time Warner and Oracle-Bell Atlantic are proceeding on the premise of operating a test system in a form combining big CATV (cable television) and local telephone companies and are leading in technology also.

Moreover, it will undoubtedly be the United States, which slightly surpasses Japan by a single digit in CATV popularity, that will get on its feet first in the market, and there is a very strong possibility that U.S. forces will control world standards as it did with personal computers if it is left to market trends. There even are people concerned who see the goal of the inauguration of DAVIC itself as "an earnest containment of the United States by Japan and Europe."

However, that does not mean that there are no people who have a dubious view about whether standardization by DAVIC will continue to proceed smoothly.

First, there are some people who question why DAVIC established the early standardization date for the end of 1995. The VOD systems being developed by various companies is partially immature in technology at the present time and price is at a level far from being practical. There certainly is the problem as to whether current technology will be valid as standard technology for the era of popularity which is said to be 2000 and thereafter.

Nevertheless, an officer of a Japanese company concerned with DAVIC activities states that in setting a standardization date which can be called hasty "it seems that there was strong pressure by U.S. forces who say that they cannot cooperate because it seems that it will take too much time." U.S. manufacturers who are ahead technologically probably do not want DAVIC to be used as a time-staller by Japanese and European forces.

Second, how much the U.S. forces participating will cooperate in standardization by DAVIC is unknown. Do they really want to open their own technology if it is used as the standard? It is the stage where creation of a

framework regarding these side aspects will be studied in the future. Moreover, SGI, which is considered preeminent among the influential manufacturers in VOD system development, still has not decided to participate in DAVIC.

The tug of war between Japan, the United States, and Europe to secure leadership in the big market of the 21st century has just begun.

## North Korea

### Ministry Announces Freeze in Nuclear Program

SK0111104694 *Pyongyang KCNA in English 1038*  
GMT 1 Nov 94

[“DPRK Has Begun Taking Practical Steps for Implementation of DPRK-U.S. Agreed Framework, FM Spokesman”—KCNA headline]

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA)—A spokesman for the Foreign Ministry (FM) of the Democratic People's Republic of Korea answered a question put by KCNA today concerning the implementation of the agreed framework between the DPRK and the United States.

He said:

To fully implement the DPRK-U.S. agreed framework is a key to the final solution of the nuclear issue in the Korean peninsula.

We have already begun taking practical steps to put it into effect.

The DPRK Administration Council decided to stop the construction of the 50,000 and 200,000 kilowatt graphite-moderated reactors from the beginning of November.

Accordingly, necessary steps are now being taken.

The competent organ decided to stop the operation of the 5 megawatt experimental reactor and took a measure to withdraw the new fuel rods which had been prepared for refueling the reactor.

Steps have also been taken to keep the radioactive chemical laboratory and other related facilities frozen.

Last week, we proposed to the U.S. to have immediate negotiations concerning the safety storage of the spent fuel rods and other matters.

These steps indicate that we have already begun fulfilling our obligations under the DPRK-U.S. agreed framework.

### Foreign Groups Support North-U.S. 'Framework'

SK3110111894 *Pyongyang KCNA in English 1024*  
GMT 31 Oct 94

[Spelling of all names as received]



[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Political and public figures of different countries are expressing support to the agreed framework signed between the Democratic People's Republic of Korea and the United States for the solution to the nuclear issue on the Korean peninsula.

The Foreign Ministry of Nepal noted in the October 25 statement that Nepal hails the DPRK-U.S. agreed framework and maintains its invariable position that the measures for the solution to the nuclear issue of the Korean peninsula would be conducive to consolidating peace and security in the Asia-Pacific region for a long period.

Ngoy Nduba, first reporter of the Transitional Parliament of Zaire and secretary general of the Lumumba Democratic Party, said in the Oct. 25 statement that the adoption of the DPRK-U.S. agreed framework is the result of the peaceful efforts the DPRK Government, guided by his excellency Kim Chong-il, has made for the solution to the nuclear issue of the Korean peninsula through dialogue and negotiations.

Humberto Lugo Gil, president of the Senate of the National Congress of Mexico, told the Korean ambassador to his country on October 24 that they highly estimate the affirmative initiatives and sincere efforts of the Korean Government for solving the nuclear issue in keeping with the desire of the world people and hope for a sincere implementation of the DPRK-U.S. agreement.

Amal Dutta, chairman of the Legislative Committee of the Indian Parliament, told the New Delhi KCNA correspondent on the same day that his excellency Kim Chong-il, the supreme leader of the Korean people, who has wisely led the DPRK-U.S. talks with matchless grit, and will and rare wisdom, is an outstanding statesman and a genius of progressive diplomacy.

Through the talks the DPRK demonstrated the truth of history that even a small country, if it fight to the end for the justice and impartiality, closely rallied around its leader, it can win, successfully defeating any challenge of a power.

That day David Kibirango, political advisor to the president of Uganda and chairman of the Uganda-DPRK Friendship Association, published a statement and the Burundi-Korea Friendship Association, the Burundi Group for the Study of the Chuche Idea and the Burundi Committee for Support to Korea's Reunification issued a joint statement.

#### **Hanminjon Statement on North-U.S. Agreement**

*SK2910050194 Pyongyang KCNA in English 0437 GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The Central Committee of the South Korean National Democratic Front (Hanminjon) issued a statement October 26 supporting the agreed framework

signed between the DPRK and the United States, the Seoul-based radio Voice of National Salvation reported.

The statement says:

Comprehensively stipulated in the agreed framework are concrete ways of fundamentally resolving the nuclear issue that has resulted from the abnormal relations between the DPRK and the United States, and measures for action to be taken by both sides.

The agreement was signed and published after being endorsed by the top leaders of the two countries.

It is of great importance that U.S. President Clinton addressed a letter to dear Comrade Kim Chong-il, the supreme leader of the Korean nation, promising that the United States would ensure the implementation of the framework agreement with the DPRK in a responsible manner. This accentuates the significance of the adoption of the agreed framework between the DPRK and the United States.

The agreement set up a historic landmark of radical importance in resolving the nuclear issue on the Korean peninsula, improving the relations between the DPRK and the United States, promoting peace and peaceful reunification of the Korean peninsula and preserving peace in Asia and the world.

The definition of a historic framework for resolving the nuclear issue and improving the DPRK-USA relations in an acute worldwide confrontation is a result of the unshakable independent position of the North and its consistent peaceful nuclear activities and efforts for peaceful reunification.

The DPRK, not a big country, could achieve such a miraculous agreement, despite the death of the father of the nation, because it has General Kim Chong-il, a brilliant commander with matchless grit and wisdom, as its leader and the centre of singlehearted unity.

The publication of the agreed framework drove into a crisis of utter isolation the traitor Kim Yong-sam who was running wild to stifle fellow countrymen with foreign help.

As soon as he was seated in "Chongwadae," [presidential offices] Kim Yong-sam froze the North-South relations and snowballed the fictitious "nuclear issue of the North" under the manipulation of outside forces, saying that he could "not shake hands with a partner possessed of nuclear weapons." After the DPRK-USA talks started, he ran about feverishly to inveigle big powers into "sanctions" against the North, calling for an "international cooperation system."

Later, he made desperate efforts to hinder a successful conclusion of the DPRK-USA talks, raising "special inspection first, and provision of light water reactors next" as preconditions.



The Kim Yong-sam group's policy against independence and the nation has come to a failure and its attempt went for nothing.

The northern and foreign policies into which the Kim Yong-sam regime put every ounce of efforts since its appearance face a total fiasco.

Isolated at home and abroad, they are talking about "experience," "dialogue" and "joint declaration on denuclearization," like a drowning man catching at a straw.

Where would they get the face to cry for "dialogue" after committing heinous crimes by levelling guns at the dialogue partner in mourning and trying to put a spoke in the wheel of the DPRK-USA talks? And how can they "denuclearize the Korean peninsula" while keeping in the dark their own nuclear activities?

The Kim Yong-sam group must make an apology to the nation, first of all.

Our Hanminjon and patriotic people will deal a hard blow at the Kim Yong-sam group and certainly establish an independent democratic government in order to reunify the country in the 1990s.

#### **U.S.-ROK Eagle 94 Military Exercise Denounced**

*SK0111043694 Pyongyang KCNA in English 0431 GMT 1 Nov 94*

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA)—The South Korean warmaniacs have decided to hold a week-long joint military exercise codenamed Eagle 94 with the U.S. Forces against the North from November 1, according to a radio report from Seoul.

They also plan to stage another war exercise of the puppet ground force dubbed Shield in the whole area of Seoul for four days from November 1.

The war exercises are a premeditated provocation to keep the situation on the Korean peninsula strained and incite North-South confrontation.

The point is that the South Korean puppets are openly staging reckless war exercises even after a framework agreement between the DPRK and the United States has been published.

The exercises are a display of their reckless war frenzy to throw a wet blanket over the framework agreement between the DPRK and the United States, hinder its implementation, further aggravate the North-South relations and drive the situation on the Korean peninsula back to the brink of war.

Although the South Korean puppets claim the current war exercises are intended for "an operation for defence of the rear" and for "a test of the major commanding, control and communications systems," it is a lie to conceal their adventurous moves for war against the North.

Those who are fond of fire are destined to be burnt to death.

If the Kim Yong-sam clique keeps to the line of war, defying our repeated warnings, it will pay dearly for it and meet its doom.

#### **ROK Opposition to National Security Law Noted**

*SK3010014894 Pyongyang KCNA in English 2158 GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The South Korean public is demanding the abolition of the fascist "National Security Law" (NSL). The MAEIL SINMUN of South Korea in an article entitled "Notorious National Security Law" said that the "NSL" is the worst evil law because it contains anti-national, anti-human rights, and fascist articles patterned after the "Maintenance of the Public Order Act" of the [words indistinct].

The paper demanded the abolition of the evil law, noting that it has been used by the successive regimes as a tool for suppressing the democratic forces and an anti-human means of [word indistinct] all liberties. Prof. [words indistinct] National University in an article said that the "NSL plays the role of a tool of the "security of power for suppressing the people's demand for the right to existence and the freedom of ideology, conscience, the press and academic studies. "The NSL must be repealed if the people are to live in peace," he said.

HANGYORE SINMUN in an Article titled "Are Books Still Bound by the 'NSL'?" said the "NSL and particularly the anti-human right and fascist provisions binding the freedom of expression in academic and art circles must be scrapped. Students belonging to the Kwangju-South Cholla provincial federation of general student councils (Namchongnyon) and the Seoul district federation of general student councils (Sochongnyon) met at Chonnam National University and Yonsei University and denounced the criminal acts of the puppet clique in harshly suppressing by invoking the "NSL" the students and people of different segments who conducted various mourning activities in sorrow at the loss of the father of the nation and roundly exposed the anti-human right and fascist nature of the law. The "NSL" is branded in the international community as a typical law of human rights violation and fascist evil law and the demand for its abolition is growing stronger.

The U.N. Commission on Human Rights disclosed the anti-human right and fascist nature of the "National Security Law" and called for its abolition at official meetings on several occasions.

The Amnesty International in a recent report said that prisoners of conscience are kept behind bars and freedom of expression and association is infringed upon by the "National Security Law" in South Korea.



### **Talk Reports Discord, Conflict in ROK Army**

*SK3110141494 Pyongyang Radio Pyongyang in Korean to South Korea 0900 GMT 29 Oct 94*

[Unattributed talk from the "Hour for Officers and Men of the South Korean Armed Forces" program: "Deepening Discord and Conflict Within the Puppet Army"]

[FBIS Translated Text] Officers and men of the South Korean Armed Forces: As you well know, the South Korean puppets, clamoring about so-called "respect for seniors," are now attempting to remove the discord and conflict between seniors and juniors within the puppet army. However, this is nothing but words. In fact, in the relations between seniors and juniors within the puppet army, the distrust and antagonism which proceed from its intrinsic attribute as an antipopular and reactionary army have intensified, and dog fighting still continues. An example of this is the incidents of revolt against seniors, which was revealed in the course of investigating the desertion of two officers that took place last September in a unit of the puppet army.

According to the results of the investigation, incidents of revolt against seniors—called "domestication of platoon leaders"—have occurred in succession. When they see their newly arrived platoon leader make a mistake or slip up, enlisted men giggle or hiss at him. Old-time soldiers with the rank of corporal or sergeant force their juniors—enlisted men—to speak impolitely before their new platoon leader. When the commander of a higher unit visits their unit, the old-time soldiers hide the combat boots of their platoon leader in order to puzzle him and get him into hot water.

Platoon leaders who fall into such a difficult situation due to such tricks by soldiers have failed to establish a strict command system because they have to read the faces of the old-time soldiers. Even the beating of officers has occurred in succession. Incidents in which officers desert their barracks, claiming that vicious senior officers should be sternly punished, occur in succession.

It has been reported that the number of officers and men of the puppet army alone who deserted their units last month totalled 29. Announcing the results of the current investigations by a joint army investigation team, the South Korean puppet Ministry of National Defense stated it had arrested and taken into custody the battalion commander and two enlisted men of the unit where the incident took place as well as those soldiers who assaulted their platoon leader, and that it would start investigating overall violations of military discipline throughout the entire army. However, the discord and conflict between seniors and enlisted men cannot be removed. There is resistance where there is oppression.

Ever since they joined the army, enlisted men of the puppet army have been forced to conditionally obey their seniors. Vicious officers and seniors call enlisted men by bad names and insult them.

A certain Kim, an enlisted man in a unit of the South Korean puppet army, was severely beaten by his senior simply because he failed to salute. A certain Private First Class Yi in the Second Corps of the South Korean puppet army was also beaten by his senior simply because he had been late in returning to his unit after finishing road repair work. Such being the situation, the phrase "a soldier who is low in grade cannot expect human rights" prevails in the puppet army.

Furthermore, the vicious seniors despise enlisted men, often forcing them do personal chores, and frequently using such abusive language as "you little bastard" and "dummy" against them. Therefore, when they are pressed hard or unfairly beaten by their vicious seniors, enlisted men grind their teeth, vowing vengeance and waiting for the chance, saying: "Is your belly bullet-proof?" Some enlisted men even inflict resolute punishment to the vicious seniors and desert the unit.

Nevertheless, the Kim Yong-sam ring keeps raving about harmony between the seniors and the enlisted men in the puppet army. As long as the slavish subjugation exists in which the juniors do as they are ordered and are subjected to beatings as the colonial slave army of outside forces and of the fascist shadow, ruthlessly trampling upon human rights, then discord and conflict will never be done away with in the puppet army.

The officers and men of the South Korean Army should be aware of their class situation, put an end to the shameful life of mercenaries supporting with arms the colonial rule of the outside forces and their stooge the Kim Yong-sam ring, and become the army of the people and the army of the nation which truly stands for the country and the nation.

### **Sojourn of Hanchongnyon Delegate in North Noted**

*SK3110092394 Pyongyang KCNA in English 0456 GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Choe Chong-nam, delegate of the South Korean Federation of General Student Councils (Hanchongnyon), toured Pyongyang and local areas.

Choe Chong-nam went round the Korean art gallery on Sunday [30 October]. He saw with deep interests famous old paintings representing time-honored Korean national culture and paintings showing the happiness of people in the North and the struggle of the fellow countrymen in the South for national reunification.

He wrote in the visitor's book that the ardent desire of the fellow countrymen in the North for national reunification growing even in the bitterest grief should be reflected in paintings and handed down forever and he would surely come again together with parents, brothers and sisters and friends in the South on the day of reunification.



The delegate visited the Korean Folklore Museum and Wonsan University of Agriculture.

Wonsan University of Agriculture registered Choe Chong-nam as an honorary fourth-year student of the tree-planting course of the Tree-Planting and Economic Botany Faculty.

He visited the Songdowon International Children's Camp and climbed scenic Mt. Kumgang.

A birthday table was arranged for him by the North side headquarters of the National Alliance of Youth and Students for the Country's Reunification at the Pyongyang Koryo Hotel on October 25.

### **ROK Politicians Accuse Chon Tu-hwan, No Tae-u**

*SK3110113794 Pyongyang KCNA in English 1033  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Twenty-nine persons involved in a meeting of politicians for democratic reforms, among them Yi Pu-yong, an "assemblyman" from the opposition Democratic Party, on October 28 filed to the Seoul District Prosecutor's Office complaints against Chon Tu-hwan, No Tae-u and 21 other persons on charges of rebellion in connection with "the December 12, 1979, army purge coup", according to a radio report from Seoul.

In the complaints they declared that those accused irrefutably committed high treason in view of the criminal law when they "set up the 'Legislative Council for National Defense through unconstitutional procedures and methods' [quotations as received] and massively instituted or revised anti-democratic evil laws including the "National Security Law".

They demanded an urgent and strict investigation into the rebellious acts of the accused.

### **DFRF Urges Repatriation of Long-Term Prisoners**

*SK2910104494 Pyongyang KCNA in English 1022  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The Central Committee of the Democratic Front for the Reunification of the Fatherland [DFRF] on October 28 issued a statement strongly urging the South Korean authorities to send back unconverted long-term prisoners including old Kim In-so, Ham Se-hwan and Kim Yong-tae to the North where their families and relatives reside without delay as they demand.

The statement notes that the South Korean authorities kept old Kim In-so, Ham Se-hwan and Kim Yong-tae behind bars for over 30 years, subjecting them to all sufferings and persecution, after they were arrested while fulfilling their military duties in the People's Army and guerrilla units during the fatherland liberation war, for

the mere reason that they refused "ideological conversion" and, after they were released from prison, the authorities have not sent them back to their native places.

The statement says:

"Old Kim In-so, Ham Se-hwan and Kim Yong-tae who are prisoners of war must be repatriated to the northern half of the country where their families and relatives live as they demand according to the international humanitarian laws and regulations and the accord on POWs.

"The Central Committee of the Red Cross Society of the Democratic People's Republic of Korea and other related organizations have urged the South Korean authorities on many occasions to send them back to the North as they demand. But the South Korean side has not accepted our just demand.

"For the South Korean authorities to contend that they are not prisoners of war is a far-fetched argument that can never be justified and an untenable act ignoring the international law.

"It is the demand of the international law and humanitarianism to send back the POWs to their hometowns as they demand.

"If the South Korean side continue to detain them in South Korea, pursuing an insidious political aim, they will face bitterer curses and denunciation from people within and without and be held entirely responsible for all the consequences arising therefrom."

### **Korean War Escaped POW Cho Called 'Murderer'**

*SK3110111294 Pyongyang KCNA in English 1059  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—A queer din is being raised in South Korea over Cho Chang-ho, a former second lieutenant of the South Korean "ROK Army."

The puppet Defense Ministry awarded "encouragement money" to Cho and declared that he would be "treated as an elder in the army" and his "example would be the soil of mental education in the army" to "foster the morale" of the officers and men.

Even Kim Yong-sam put his nose into this drama. He called at the puppet army hospital and exalted him as "a sample of the victory of humanity."

The puppets are now making a fuss as if their destiny is staked at Cho Chang-ho.

But Cho would never prove to be a "savior" to the Kim Yong-sam group.

What sort of a man is Cho Chang-ho?



During the Korean war, he was an artillery platoon leader of the South Korean puppet army. In a battle he surrendered and came over to our People's Army with his men.

In June 1951, trapped in an encirclement of the Korean People's Army and the Chinese People's Volunteers, Cho abandoned his combat duty and surrendered with nine soldiers under his command and came over to our side after shooting five of his men who refused to obey him.

At that time he said he was drafted into the "ROK Army" in August 1950 while studying in the first year of Yonsei University, but decided to "vow allegiance" to the North side, not wanting to fight in the fratricidal war. So he requested that he should be treated not as a prisoner of war but as a "courageous defector."

So he was assigned to the reconnaissance platoon of the Eighth Division of the Korean People's Army.

He was punished for his violation of the military discipline impermissible in the People's Army such as rape of women which he committed while fulfilling scout duty in South Korean area.

Worse still, he murdered one of his men who surrendered with him for the reason that they did not respect him as their superior as they had done in the past. For this crime, he was brought to the KPA Military Court in March 1952 and sentenced to 12 years of imprisonment.

After being released at the expiration of his prison term, he got married with a woman of South Korean origin like him and came to have three children.

But his wife broke with him when she knew his crime-woven career. Divorcing herself from him, she said, "I was born in South Korea. I am earnestly waiting for national reunification. When the country is reunified, I may meet my kinsmen in South Korea. But what words I will find to apologize to the bereaved families of Cho Chang-ho's subordinates killed by him? I would rather live alone than to live with such a man."

The grudges against a human-slaughter is not dispelled, however many years may pass. Last year, some of his subordinates, informed that Cho was living in Chagang Province, went to him and gave vent to their indignation. With this, the murder he had committed was made known again and he was spurned by his villagers.

He lost his wife and children and all the neighbours cold-shouldered him, leaving him all alone.

He who committed crimes against both the people in the North and the South had nowhere to go.

It is ridiculous of the South Korean authorities to welcome him as "a savior."

Birds of a feather flock together. This is "favor" and "privilege" offered by Kim Yong-sam, an immoral

fellow who has the cheek to advertise "civilian administration" and "reforms" while abusing the misfortunes of the fellow countrymen in the North and committing so many cases of murder. Such a strange thing as giving "encouragement money" and even "supreme order" to the murderer of his subordinates can be seen only under the Kim Yong-sam regime. And it can be seen only in the South Korean puppet army that a soldier who had surrendered and vowed allegiance to the opposite side is regarded as "a soil of mental education in the army."

Those who are forsaken by the people befriend each other.

What is clear now is that the fate of the Kim Yong-sam group which has been suffering from the incurable "South Korean disease" for two years is now in a critical danger.

Kim Yong-sam must know that there is no medicine for his "South Korean disease".

#### **New Latin American Committee Supports Hanminjon**

*SK3110113094 Pyongyang KCNA in English 1039 GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—A meeting was held in Managua on October 20 to form the Solidarity Committee of Political Parties and Fronts in the Caribbean and Latin American Region for Supporting the Cause of the South Korean National Democratic Front (Hanminjon) and the South Korean People.

Present at the meeting were the international secretary of the C.C. [Central Committee], the Nicaraguan Socialist Party, the international secretary of the C.C., the Communist Party of Nicaragua, a vice-director of the International Department of the Sandinist National Liberation Front and other political, social and press figures of Nicaragua, and delegates of political parties and fronts of countries in Latin America.

The chief of the Hanminjon mission in Cuba was invited there.

Speeches were made at the meeting by several political party figures before the rules was adopted and the leadership body of the committee elected. The committee involves the Nicaraguan Socialist Party, the Dominican Communist Party, the National Front of Argentina, the Communist Party of Colombia, the Sandinist National Liberation Front of Nicaragua, the Peruvian Communist Party, the Liberation Front of Puerto Rico, the Communist Party of Salvador, the Radical Cause of Venezuela, the Communist Party of Paraguay, the Marxist-Leninist Popular Action Movement of Nicaragua and the Communist Party of Nicaragua.

Santiago Guillermo, Politburo member of the Dominican Communist Party, was elected chairman of the committee.



The rules of the committee calls for further strengthening the militant friendship and solidarity between the peoples in the Caribbean and Latin American region and in South Korea and between the political parties and fronts in this region and Hanminjon. It also fully supports the activities of Hanminjon, the patriotic vanguard of the South Korean people struggling for social independence and democracy and national reunification and strongly urges the legalization of its activities in South Korea.

#### **'Source' Views Ties With Japan, N-S Dialogue**

*OW0111130294 Tokyo ASAHI SHIMBUN in Japanese  
31 Oct 94 Evening Edition p 1*

[FBIS Translated Text] On 31 October, commenting on the solution to the North Korean nuclear issue and a nuclear accord signed between the United States and North Korea shortly after the 16 October memorial service for late President Kim Il-song, a source very close to Secretary Kim Chong-il made clear: "North Korea is ready to resume the stalled Japan-North Korea normalization talks and to normalize relations with Japan." His remark is taken as an indication that, on the eve of a visit by a delegation consisting of representatives of the ruling Japanese parties to Pyongyang, North Korea is willing to urge Japan to resume the stalled bilateral normalization talks and use normalized relations between the two countries as a means to reconstruct its economy.

This was disclosed to an ASAHI SHIMBUN reporter by Mun Myong-cha [Julie Moon], chief editor of the "U.S. ASIAN NEWS," who met the source during her recent stay in Pyongyang. Mun has often met late President Kim Il-song, Secretary Kim Chong-il, and other North Korean leaders. Mun told the ASAHI SHIMBUN reporter that the color in Secretary Kim Chong-il's cheeks looked better than it had at the July memorial service for late President Kim Il-song, and the younger Kim was working to improve his health by riding horses.

Referring to the death of late President Kim Il-song, the same source said: "Thousands of Japanese expressed condolences over the death of late President Kim Il-song and the North Korean people deeply appreciated their friendly feelings." Commenting on the normalization of relations between Japan and North Korea, the source said: "The question is how eager Japan is to normalize relations with North Korea."

On relations between North and South Korea—the resumption of dialogue was incorporated into the nuclear accord signed between the United States and North Korea—the source said: "It is regrettable that South Korean President Kim Yong-sam refused to express his condolences over the death of late President Kim Il-song" and added "if President Kim Yong-sam is willing to search his soul about his refusal to express condolences and this is made known to the North Korean people, a climate will be created for dialogue between the two Koreas." In this way, the source indicated North Korea will watch how South Korea takes

steps toward dialogue. His remark is taken as an indication that the inter-Korea dialogue will remain stalled for the time being.

The source, however, confirmed North Korea's basic stance that if the time is ripe, it will pave the way for the unification of the two Koreas by promoting inter-Korea dialogue and holding an inter-Korea summit. Commenting on the prospect of former U.S. President Carter visiting Pyongyang again, the source said: "North Korea will welcome another visit to Pyongyang, but he need not mediate between North and South Korea."

On U.S.-North Korean relations, the source said: "If the two countries comply strictly with the accord, this will contribute to the deepening of trust between them."

Mun told the ASAHI SHIMBUN reporter that according to Kim Yong-sun, secretary of the Workers' Party of Korea, Secretary Kim Chong-il personally directed the North Korean delegation at the U.S.-North Korean high-level talks; and in the final round of the talks, he received reports from Geneva and directed the North Korean delegation to conclude the accord with the United States.

Mun also told the ASAHI SHIMBUN reporter Secretary Kim Chong-il is now faced with the issue of reshuffling the government and the party since taking over power from his late father; and indicated that Secretary Kim Chong-il will not assume the post of party general secretary within this year."

#### **Japanese 'Reactionaries' Aggression Denounced**

*SK0111054194 Pyongyang Korean Central  
Broadcasting Network in Korean 1225 GMT 31 Oct 94*

[Commentary by Chong Pong-kil: "War Mania, Which Has Reached a Dangerous Stage"]

[FBIS Translated Text] Military maneuvers for overseas aggression by Japanese reactionaries have become more unscrupulous with each passing day. According to a report on 27 October, the Japanese Defense Agency is attempting to establish special reserve forces with the aim of more properly coping with a possible emergency. The Japanese Defense Agency reportedly plans to establish a policy of founding so-called [word indistinct] reserve officers system of the Self-Defense Forces with 15,000 retired officers and to include this system in the organization of the active Self-Defense Forces.

This is reportedly aimed at overcoming the limitation of the Self-Defense Forces present reserve forces, which have thus far played only the role as an auxiliary organ of the regular armed forces of the Self-Defense Forces. It is also aimed at increasing the reserve forces combat operational capability so they can become a substantial frontline combat armed forces that can be mobilized in an emergency.



In an effort to strengthen the quality of the general reserve forces, totalling 48,000 retired soldiers, the Japanese Defense Agency also reportedly plans to mobilize them twice a year for a total of 20 days annually for military training. Also, the military training will reportedly be done in unit training, not individual training as in the past.

This is another military step to further strengthen the armed forces of the Japanese Self-Defense Forces and clearly proves that Japanese reactionaries' wild ambition for overseas expansion is being carried out at an extremely dangerous stage.

As everyone knows well, Japanese reactionaries military moves for overseas expansion have already reached a very indiscreet stage. At a time when the Cold War era has ended globally and many countries have reduced their military expenses and armed forces, Japan is still increasing military expenses and strengthening the Self-Defense Forces. This can be proven by the fact that the scale of Japan's military budget for last year was ranked second in the world.

Japanese reactionaries are not only accelerating the maneuvers for overseas aggression and nuclear armament to become a military big power and stepping up the modernization of the Self-Defense Forces, but are also expanding the road for overseas dispatch of the Self-Defense Forces. On the other hand, tenaciously seeking to become a permanent country of the UN Security Council, Japanese reactionaries have gone so far as to utter absurd remarks to justify their past acts of aggression.

It is needless to say that all of this has proceeded from Japanese reactionaries' wild ambition for overseas expansion to realize again their old dream of the great East Asia coprosperity sphere. The Japanese Defense Agency's attempt to found a (?professional) reserve force this time in a bid to more properly cope with an emergency is also an important military step that has proceeded from the wild ambition for overseas expansion.

All policies of Japan today proceed from the strategic aim for overseas expansion. This is by no means accidental. The expansion of monopoly capital results in advancing along the road of aggression. This is a rule proven by history.

Japan's monopoly capital today has reached the final stage of expansion. Therefore, without overseas aggression its wild ambition cannot be realized. This is why Japanese reactionaries have been tenaciously seeking overseas expansion.

Japanese reactionaries have designated the Korean peninsula as the first target of their aggression and are recklessly running wild to accomplish this goal. However, it is a foolish delusion.

Today's Korean people are not the Korean people of yesterday, and today's Asia is not the Asia of the past. If Japanese reactionaries continue to advance down the road of repeating the history of overseas aggression without learning from the miserable defeat of the past, it will bring only miserable destruction to Japanese reactionaries.

### **Embassy Hosts Banquet on CPV War Anniversary**

*SK2910142294 Pyongyang Korean Central Broadcasting Network in Korean 0100 GMT 27 Oct 94*

[FBIS Translated Text] Our country's embassy in China arranged a banquet on 25 October on the occasion of the 44th anniversary of the Chinese People's Volunteers' [CPV] participation in the Korean front.

Placed in front of the banquet hall were the portraits of the great leader Comrade Kim Il-song and the dear leader Comrade Kim Chong-il.

Present at the banquet were General Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army; Zhu Shanqing, deputy head of the International Liaison Department of the CPC Central Committee; Xu Caihou, deputy director of the General Political Department of the Chinese People's Liberation Army; Chen Haosu, vice president of the Chinese People's Association for Friendship with Foreign Countries; and other functionaries concerned.

Chu Chang-chun, our country's ambassador to China, and Zhang Wannian, chief of General Staff of the Chinese People's Liberation Army, spoke at the banquet.

In his speech, the chief of General Staff of the Chinese People's Liberation Army said that 44 years ago, the Chinese people dispatched the volunteers, made up with fine sons and daughters, to the Korean under the banner of resisting America, aiding Korea, safeguarding the home, and defending the nation when the Korean people were attacked from the foreign forces, thus contributing to achieving the great victory in the fatherland liberation war by waging blood struggles in shoulder to shoulder with the Korean comrade-in-arms. He said the great victory in the fatherland liberation war contributed greatly to not only defending the gains of the Korean revolution and liberation but also protecting peace in Asia and the rest of the world.

Saying that the CPV received the warm care from President Kim Il-song, the great leader of the Korean people, and the Workers' Party of Korea [WPK] during their stay in Korea, he emphasized that the officers and soldiers of the CPV will never forget their deep attention.

He said the Korean people have overcome the manifold hardships with the spirit of self-reliance and hard struggle under the leadership of President Kim Il-song and the WPK for the last 40 years after the end of the war, thus achieving the great victory. He then said the



Chinese people truly rejoice as if all the success achieved by the Korean people on all fronts was their own.

He stressed that the Chinese people truly wish the Korean people and Army greater success in their cause for the socialist construction and the national reconciliation and reunification under the leadership of the party Central Committee headed [subanurohanun] by Comrade Kim Chong-il in hearty response to President Kim Il-song's lifetime wish.

He said China and Korea are fraternal neighbors, and the peoples and Armies of the two countries are close comrade-in-arms and brothers who have forged the close friendly relations as they shared life and death in the protracted struggle for revolution. He said the Chinese people dearly value Chinese-Korean friendship which has overcome the trials of history and will, as in the past, make all possible efforts to further develop such friendship.

The participants of the banquet toasted for the militant friendship and unity between the Korean and Chinese peoples sealed with blood; for the eternal life of the great leader Comrade Kim Il-song; for the long life of the dear leader Comrade Kim Chong-il; and for the long life of respected Deng Xiaoping, Jiang Zemin, and other leaders of the Chinese Government and party.

#### **Laotian People's Army Delegation Arrives**

*SK2810234594 Pyongyang KCNA in English 2212  
GMT 28 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA)—A delegation of the General Political Department of the Laotian People's Army led by Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department, arrived here today.

The delegation was met at Pyongyang railway station by General of the Korean People's Army Yi Pong-won and other generals and officers.

A welcome ceremony took place in the compound.

#### **Wreath Laid at Kim Il-song Statue**

*SK2810234994 Pyongyang KCNA in English 2155  
GMT 28 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 28 (KCNA)—The visiting delegation of the General Political Department of the Laotian People's Army led by Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department, today laid a wreath before the statue of the great leader President Kim Il-song standing on Mansu Hill.

An honor guard of the Korean People's Army lined up by the statue.

Amid the playing of the wreath-laying music a wreath in the name of the delegation was laid before the statue.

The participants paid a silent tribute to the memory of President Kim Il-song.

Written on the ribbon hanging on the wreath were letters reading: "The great leader Comrade Kim Il-song will be immortal".

Recalling that Comrade Kim Il-song, the great leader of the Korean people, made a great contribution to the work for friendship and solidarity between the Laotian and Korean peoples, the head of the delegation expressed deep condolences once again on his death.

#### **KPA Department Gives Party 28 Oct**

*SK2910051394 Pyongyang KCNA in English 0438  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The General Political Department of the Korean People's Army [KPA] on Friday gave a party for the visiting delegation of the General Political Department of the Laotian People's Army.

Invited to the party were the members of the delegation led by Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department.

Present there were General Yi Pong-won and other generals and officers of the KPA.

Speeches were made at the party.

#### **KPA Officers Meet Counterparts**

*SK3010021394 Pyongyang KCNA in English 1840  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—Talks were held between delegations of the general political departments of the Korea People's Army [KPA] and the Laotian People's Army on October 29.

Present at the talks on the Korean side were general of the Korean People's Army Yi [other elements of name indistinct] generals and officers and on the opposite side were the members of the delegation led by Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department.

At the talks the sides informed each other of the situation of their countries and exchanged views on a series of matters of common concern and on the strengthening and development of the friendly and cooperative relations between the two armies.

The talks proceeded in a friendly atmosphere.

#### **Gift Brought for Kim Chong-il**

*SK3110114794 Pyongyang KCNA in English 1047  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Dear Comrade Kim Chong-il, the great leader



of our party and people, received a gift from the delegation of the General Political Department of the Laotian People's Army [LPA].

The gift was handed to an official concerned by head of the delegation Col. Gen. Siphon Phalikhan, vice-minister of defence and director of the department, on a visit to Korea.

#### **Belarus Communist Party Leader Gives Impressions**

*SK2910102994 Pyongyang KCNA in English 1016  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—A. Lashkevich [name as received], secretary of the Central Committee of the Party of Communists of Belarus, who is heading a delegation of the party said that he keenly felt through his Korean visit that socialism is the future of humankind.

He told KCNA that the great leader Comrade Kim Il-song was an outstanding leader of the international communist movement, a veteran of the world revolution who enjoyed high international authority and a publicly recognized great statesman. "Our sorrow at the loss of so great a man is becoming deeper as the days go by," he stated.

"Today the Korean people are vigorously accelerating socialist economic construction for the prosperity of the country under the wise guidance of the dear leader Comrade Kim Chong-il," he said, and continued:

"We can well see the diligence and intelligence of the heroic Korean people in the grand monumental edifices splendidly built everywhere. It is astonishing that Korea has made such a progress today, repulsing the imperialists' attempts to stifle her.

"Seeing everyone study, not paying a penny, under the care of the party and the state and accumulate knowledge and work hard for the tomorrow of the country, I can imagine the future of the Democratic People's Republic of Korea."

He sincerely wished the Korean people greater achievements in socialist construction.

#### **Greetings Sent to Kazakhstani Supreme Soviet**

*SK3010023094 Pyongyang KCNA in English 1833  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly sent a message of greetings to A. Kekilaye, chairman of the Supreme Soviet of Kazakhstan on the national day.

The message expressed the hope that the friendly and cooperative relations between the two parliaments would develop favourably in the interests of the two peoples.

#### **Reception for Anniversary of Algerian Revolution**

*SK0111050294 Pyongyang KCNA in English 0451  
GMT 1 Nov 94*

[FBIS Transcribed Text] Pyongyang, November 1 (KCNA)—Algerian Ambassador to Korea Hanafi Oussedik gave a reception here on Monday on the occasion of the 40th anniversary of the start of the revolution in Algeria.

Present there on invitation were Chairman of the Supreme People's Assembly Yang Hyong-sop, other officials concerned and diplomatic envoys of different countries to Korea.

The participants in the reception paid a silent tribute to the memory of the great leader President Kim Il-song.

Speaking at the reception, Ambassador Hanafi Oussedik paid regards to the veteran politics and the dignity of the Korean people which were displayed in Korea in the painful period of mourning the death of President Kim Il-song, the respected leader, the affectionate father of the Korean people and a great fighter for the cause of the third world's people.

Noting that the problem of inheriting the leadership of the party and the state has been solved successfully in Korea as intended by President Kim Il-song in his lifetime, the ambassador said: "We are convinced that the great achievements made by the Korean people under his leadership will be further consolidated and developed under the guidance of His Excellency Marshal Kim Chong-il."

"It is quite natural for Algeria, which is faithful to the principle of solidarity among nations and territorial integrity among countries, to express full support to the legitimate desire of the Korean people for the independent and peaceful reunification of the country," the ambassador stressed.

Speaking next, Minister of Finance Yun Ki-chong, who is chairperson of the Korea-Algeria Friendship Association, noted that over the past decades after winning national independence through a protracted, bloody armed struggle, the Algerian people have taken long strides in the endeavours to clear away the consequences of the colonial rule and consolidate the independence of the country.

"The Korean people highly appreciate their achievements in building a new society and extend full support and solidarity to them in their efforts to defend the national dignity and sovereignty and achieve the stability and prosperity of the country," she said.

Noting that the friendly and cooperative relations between Korea and Algeria have a long historical tradition, she stressed that particularly, the Algeria visit of the great leader Comrade Kim Il-song in May 1975 and the Korea visit of President Houari Boumedienne in March



1974 were historic events in further tightening the bonds of friendship between the two peoples.

#### **WPK Delegation Departs for Cuba 29 Oct**

*SK3010022894 Pyongyang KCNA in English 1838  
GMT 29 Oct 94*

[FBIS Transliterated Text] Pyongyang, October 29 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Secretary of its Central Committee [C.C.] Hwang Chang-yop left here today for a visit to Cuba.

The delegation was seen off at the airport by Hyon Chun-kuk [words indistinct] department director of the C.C., WPK, and Jose Ramon Rodriguez Varona, Cuban ambassador to Korea.

#### **Foreign Parties Send WPK Anniversary Greetings**

*SK3110093994 Pyongyang KCNA in English 0453  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—Messages of greetings came to the Central Committee of the Workers' Party of Korea [WPK] on the 49th birthday of the party from General Secretary of the C.C. [Central Committee], the New Communist Party of Great Britain Eric Trevett, Chairman of the Belgian Movement of Communists Daniel Rochette, the Central Committee of the Workers' Party of Turkey, the Standing Committee of the Central Executive Committee of the Communist Party of the Russian Federation, and the Central Committee of the People's Democratic Party of Uzbekistan.

The messages say that the Workers' Party of Korea has creditably discharged its mission and role as the staff of the Korean revolution by successfully leading the revolution and construction under the banner of socialism over last 49 years.

They express the belief that the Korean people will make greater achievements in the building of a new life under the leadership of the Workers' Party of Korea and with leader Comrade Kim Chong-il.

#### **Indian Community Party Official Praises WPK**

*SK2810235294 Pyongyang KCNA in English 2202  
GMT 28 Oct 94*

[FBIS Transcribed Text] New Delhi, October 26 (KCNA)—Indrajit Gupta, general secretary of the National Council of the Communist Party of India, told the KCNA correspondent in India that his party was proud of having such a revolutionary and militant party as the Workers' Party of Korea [WPK] as its fraternal party.

He said the revolutionaries and communists of the world pay highest homage to the great leader Comrade Kim Il-song who founded the Workers' Party of Korea, strengthened and developed it into an invincible party

and created a brilliant model in accomplishing the cause of socialism and communism and highly praise his immortal achievements.

He went on:

"The WPK is promoting the revolution and construction with redoubled vigor, undauntedly meeting the most vicious challenges of the world imperialists because it is under the energetic guidance of Comrade Kim Chong-il, a tested leader.

"It is a feat of the WPK that it has consolidated and developed the blood ties between the party and the masses. It has made a great contribution to strengthening and developing the international communist movement."

Referring to the historical significance of the Pyongyang declaration, he stressed: "Korea is a model for world socialism and a beacon of hope for us all."

Declaring that the Communist Party of India would make all efforts further to tighten and develop its relations with the Workers' Party of Korea guided by Comrade Kim Chong-il, he expressed the hope to draw on the experience of the WPK in ideological work.

#### **Burundian President Supports 10-Point Proposal**

*SK3010084994 Pyongyang KCNA in English 0809  
GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—Burundian President Sylvestre Ntibantunganya on October 20 signed the signature paper supporting the "10-point programme of the great unity of the whole nation for the reunification of the country" advanced by the great leader President Kim Il-song.

The signature paper says:

We positively support the "10-point programme of the great unity of the whole nation for the reunification of the country".

We demand an immediate demolition of the concrete wall, a symbol of the division of the Korean peninsula, and support the independent and peaceful reunification of Korea.

#### **Mongolian Chuche Idea Study Center Opens Branch**

*SK3010085194 Pyongyang KCNA in English 0813  
GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—The inaugural meeting of the Omnogov provincial branch of the Chuche Idea Study Centre of Mongolia was held at the Kim Chong-il kindergarten on October 22.

Present at the meeting were chief of the Chuche Idea Study Centre of Mongolia Yondonjyamtisine Maxime,



director of the Kim Chong-il kindergarten T. Yanjin, vice-chairman of the Mongolia-Korea Friendship Society J. Tsevelmaa, and other officials concerned.

At the meeting speeches were made and the leading body of the branch was elected.

The speakers elaborated on the chuche idea and the achievements made by the Korean people with its application to all fields of the revolution and construction.

They laid stress on expanding the dissemination of the chuche idea and deepening its study and learning from the achievements of the Korean people.

### **Chongnyon Sends Letter to Kim Chong-il**

*SK3110064094 Pyongyang KCNA in English 0450  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—The dear leader Comrade Kim Chong-il received a letter from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the occasion of the publication of the agreed framework between the DPRK and the USA.

The letter dated October 22 says that the adoption and publication of the agreed framework between the DPRK and the USA which reflects the consistent stand and active initiatives of the DPRK fully and satisfactorily is a great success of the independent diplomacy of the DPRK guided by general Kim Chong-il as it made the United States turn its Korea policy toward peace and mutual cooperation.

The publication of the historic agreed framework evokes among Koreans in Japan as well as people of the world including Japan the unanimous feelings of reverence that respected general Kim Chong-il is the outstanding leader who is steadily leading our country and nation, the times and humankind to independence, socialism and peace, the letter notes.

The letter lays stress on strengthening and developing Chongnyon more creditably into overseas patriotic organisation unfailingly loyal to respected General Kim Chong-il, bearing in mind the behests of the great Generalissimo Kim Il-song and devoting loyalty and filial piety in one mind to discharging the mission and duty of Chongnyon as a reliable companion of the socialist homeland of chuche.

The letter wishes Comrade Kim Chong-il good health and long life.

### **Foreign Party Leaders Greet Kim Chong-il**

*SK2910051494 Pyongyang KCNA in English 0423  
GMT 29 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 29 (KCNA)—The dear leader Comrade Kim Chong-il

received messages of greetings from foreign party leaders on the 49th anniversary of the foundation of the Workers' Party of Korea.

The messages came from Ludo Martens, chairman of the Central Committee of the Belgian Labour Party; Seik Mahmud Nahnah, chairman of the Islamic Social Movement of Algeria; Rolf Hagel, chairman of the Workers' Party-Communists of Sweden; Ahmed Nejib Chabbi, general secretary of the Progressive Socialist Rally of Tunisia; Milomir Minic, general secretary of the Socialist Party of Serbia; Abdallah al Chahal, secretary of the Regional Leadership of the Arab Socialist Baath Party of Lebanon; Branko Kitanovic, general secretary of the New Yugoslav Communist Movement; Dragomir Draskovic, chairman of the National Committee of the League of Communists-Movement for Yugoslavia; Indalicio Sayago Hehrera, general secretary, and Manuel Fernandez Flores, international secretary, of the Central Committee of the Socialist People's Party of Mexico; and Angel Castro Lavarello, chairman of the Peruvian Front for National Liberation.

The messages warmly congratulated Comrade Kim Chong-il on the foundation anniversary of the Workers' Party of Korea.

They expressed the belief that the Korean people will accomplish the revolutionary cause started by the great leader President Kim Il-song and achieve the independent and peaceful reunification of the country under the wise guidance of Comrade Kim Chong-il.

### **Congratulations Sent to Kim Chong-il From Abroad**

*SK3110113394 Pyongyang KCNA in English 1028  
GMT 31 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 31 (KCNA)—The dear leader Comrade Kim Chong-il received messages of greetings from the participants in celebration meetings held in Brazzaville, Maputo, Cairo and Bamako, on the occasion of the 49th anniversary of the foundation of the Workers' Party of Korea [WPK].

The participants in the meeting held in Maputo to open the month for celebration of the 49th birthday of the WPK and support to the proposal for founding the Democratic Confederal Republic of Koryo, said in their message: "The Workers' Party of Korea founded by the great leader President Kim Il-song and led by Comrade Kim Chong-il is the model and the banner for the revolutionary parties aspiring after socialism in the world."

The WPK under the tested leadership of the dear leader Comrade Kim Chong-il is firmly defending Korean-style socialism, decisively smashing the anti-socialist moves of the imperialists, the message noted.

The message adopted at the celebration meeting of the Sudanese Union-African Democratic Rally in Mali said



that the WPK, under the wise leadership of Comrade Kim Chong-il, has strengthened and developed into a veteran and militant, invincible and powerful party which guides the people to victory.

Those messages expressed the belief that the Workers' Party of Korea would win a greater victory in its activities for national reunification and the complete victory of socialism under the wise leadership of Comrade Kim Chong-il, and wished him a long life in good health.

### **Vice Premier Reacts to Kim Chong-il's Message**

*SK3110044194 Pyongyang Korean Central Broadcasting Network in Korean 0815 GMT 29 Oct 94*

[FBIS Translated Text] Functionaries of the light-industry sector who warmly embraced the message of thanks sent by the dear Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, to the entire people for their deep condolences over the death of the respected and beloved leader Comrade Kim Il-song, are enveloped with great emotion. They are overflowing with the blazing determination to further vigorously struggle to brilliantly complete the chuche revolutionary cause according to the dear comrade leader's leadership.

Comrade Kim Pok-sin, vice premier of the Administration Council and chairman of the Light-Industry Committee, states as follows:

[Begin Kim recording] The dear leader Comrade Kim Chong-il, the great leader [widaehan yongdoja] of our party and our people, personally sent a message of thanks to all the people for their deep condolences over the death of the respected and beloved leader on 28 October.

When I received the dear comrade leader's message of thanks, I was enveloped with solemn emotion beyond description and I was choked with tears of thanks. I truly thank you, dear leader Comrade Kim Chong-il.

The dear comrade leader suppressed the nation's rightful grief of having lost the father of the great nation, and personally sent a message of thanks even during his busy schedule of leading the revolution and construction. Truly, there is no nation as ours in this world in which the people enjoy the good fortune of the leader generation after generation.

Embraced with the seething yearning for the fatherly leader, and the desire to meet him just once more, our people visited the Mansudae Hill over and over again. In their hearts lie the dear General Kim Chong-il, the great leader [widaehan yongdoja].

It still seems that I can hear the programmatic teaching by the leader made on 6 July at the consultative meeting of the economic sector functionaries. How could I have known that that meeting would be the last meeting with the fatherly leader?

It is unavoidable that our hearts are surging with a guilty conscience for not having repaid his love and faith after embracing the leader's life. In the message of thanks, the dear comrade leader said that the sadness over the loss of the respected and beloved leader must be changed into thousand folds of strength and courage, and pointed out that he hopes that the struggle to brilliantly complete the chuche revolutionary cause which the leader exerted ever so much great efforts and energy, even up to the last minute of his life, must be carried out all the more vigorously.

I will fulfill loyalty and filial piety that were not fulfilled to the fatherly leader by thousand folds. Therefore, I am filled with the determination to live and fight like a true lifeguard of following only General Kim Chong-il, the great leader [widaehan yongdoja]. As a responsible functionary of the light-industry sector, I will highly uphold the dear comrade leader at the top of our revolution, and under this leadership, I will devote my body and heart in thoroughly implementing the party's policy that light industry is best. [end recording]

### **Kim Il-song Awarded Order by Lebanese Party**

*SK3010084894 Pyongyang KCNA in English 0807 GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—The great leader President Kim Il-song has been awarded the highest order specially instituted by the Socialist Progressive Party of Lebanon.

A ceremony of conveying the order was held at the building of the Socialist Progressive Party of Lebanon on October 24.

Present there were the secretary general and other leading officials of the party.

The participants observed a moment's silence to the memory of President Kim Il-song.

The highest order of the Socialist Progressive Party of Lebanon awarded to President Kim Il-song was handed to the Korean ambassador to Lebanon by the secretary general of the party at the ceremony.

Leading officials of the party said:

We deem it an honor to award, authorised by the president and the Direction Council of the Socialist Progressive Party of Lebanon, the highest order of our party to his excellency the great Comrade Kim Il-song, a prominent thinker and theoretician, respected leader and fighter.

We believe that the Korean people will creditably accomplish his cause under the wise and tested leadership of His Excellency Comrade Kim Chong-il, their supreme leader.

Our party will always march shoulder to shoulder with the Workers' Party of Korea and the friendly Korean people.



### **Russian Academics Visit Kim Il-song's Statue**

*SK3010085294 Pyongyang KCNA in English 0815 GMT 30 Oct 94*

[FBIS Transcribed Text] Pyongyang, October 30 (KCNA)—A scholar delegation of the State Academy of Management of Russia led by its rector Anatoly Porchnev and a scholar delegation of Moscow University of Russia led by Professor Alexandr Kovalyov on a visit to Korea called at the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang on October 29, laid bouquets of flowers before it and observed a moment's silence.

Professor Alexandr Kovalyov expressed deep condolences on the death of President Kim Il-song and said that although he passed away, the *chuche* idea founded by him would be immortal.

The delegations arrived here by air on October 29.

### **Implementation of Kim Il-song's Teaching Urged**

*SK0111112194 Pyongyang NODONG SINMUN in Korean 20 Sep 94 p 1*

[Editorial: "The Functionaries Must Carry Out the Organizational Work To Implement the Great Leader's Lifetime Teaching"]

[FBIS Translated Text] Today, all the party members and workers are highly upholding the great leader Comrade Kim Il-song's lifetime teaching and are vigorously carrying out the struggle to implement it.

Our guiding functionaries—the commanding members of the revolution—are faced with the heavy task of vigorously bringing about the masses in creating new feats.

The dear leader Comrade Kim Chong-il has pointed out: "The great leader Comrade Kim Il-song's teaching must be regarded as the law and supreme order, and infinite spirit of devotion and sacrifice must be manifested without the slightest reason and excuse to unconditionally and thoroughly implement it."

Upholding the leader's teaching of when he was alive to the end is a lofty sense of duty and virtue of the people carrying out the revolution. A true revolutionary does not by any means desert the faith and sense of duty toward the leader, but manifests an indomitable revolutionary spirit to implement the leader's lifetime teaching. A genuine revolutionary and loyalist is a person who eternally bears in his seething heart his leader's lofty teaching and lives and fights only according to the leader's will. He is also a person who exerts energy by hundred- and thousand-fold than when the leader was alive to brilliantly embody the revolutionary duty given by the party and the leader.

Today, our functionaries are vigorously carrying out the organizational and political work to implement the great

leader Comrade Kim Il-song's lifetime teaching. This becomes the most important work in completing to the end the sacred mission they are faced with before the party and the revolution.

When he was alive, the great leader had firm faith in our functionaries, strengthened the ranks of the party and the revolution, and entrusted them with the important task to vigorously accelerate socialist construction. The great leader's 6 July 1994 lifetime teaching is a programmatic task which our functionaries—who are in the driving seat of socialist construction—must always regard as a guideline and thoroughly embody it. Here lies the party's and leader's great expectation that it will be desirable for our functionaries to fulfill their mission and duty to the end in the struggle to progress the socialist economic construction to a new high stage to implement thoroughly the party's revolutionary economic strategy.

We cannot think about any kind of worthwhile life and honor of our functionaries, and the pride and dignity of a revolutionary fighter apart from the struggle to implement the great leader's lifetime teaching. Only when the respected and beloved leader's lifetime teaching is thoroughly embodied can the functionaries endlessly elucidate the political life embraced by the leader and elucidate the honor of being nuclear pivots of the party and commanding members of the revolution.

The struggle to implement the great leader Comrade Kim Il-song's lifetime teaching is an endlessly worthwhile struggle to elucidate generation after generation the immortal achievements accomplished by the leader in carrying out the *chuche* socialist cause.

The respected and beloved leader's sacred footsteps of leadership, who devoted his whole life to establish a people's paradise on this land, are vividly shown in the working posts of our functionaries. More than anyone else, the functionaries must deeply bear in their minds the greatness of the great leader's leadership achievements and carry out a devoted struggle to elucidate it. Only when our functionaries vigorously carry out the organizational and political work to implement the fatherly leader's lifetime teaching can our socialist cause continue to vigorously advance toward the one road of *chuche* that was pioneered only by the leader.

For the functionaries, the most important thing in implementing the great leader's lifetime teaching is assuming a stance of loyal servants who will endlessly repay the fatherly leader's benevolence.

Our functionaries are the party's revolutionary fighters who have grown under the fatherly leader's great love and care. From the difficult days after the liberation through the grim period of war and rehabilitation construction to nowadays, the great leader spared no pains in bringing up the great unit of the national cadres, valued every one of them, and led them by his hand. With millions of money, he brought up sons and daughters of ordinary workers and farmers as brilliant workers



of the socialist construction and as competent leading members of the revolution. As above, his benevolence cannot be fathomed with anything.

The functionaries have traversed the road of struggles, enjoying worthwhile life and happiness under the fatherly leader's bosom and, on the course of this, have grown up as the party's revolutionary fighters. They should never forget this and uphold the leader [suryong] forever like a filial son who truthfully follows his own father. With the firm resolution never to betray the love and faith given by the great leader, the functionaries should stand in the forefront to implement the leader's lifetime teaching.

The spirit of indomitable will, absoluteness, and unconditionality that staunchly overcomes any hardships is a revolutionary feature that should be displayed by the functionaries in today's struggles to implement the great leader's lifetime teaching.

The great leader Comrae?m July 1994 teaching contains grand plans and goals of the struggle in highly displaying the superiority of the socialism of our own style and further cementing the foundation of our country's self-reliant economy by thoroughly implementing the party's revolutionary economic strategy. The struggle to fulfill such goals is not a easy task and demands all the functionaries and working people to display their firm revolutionary will.

All functionaries should cherish deep in their hearts the spirit of absoluteness and unconditionality possessed by anti-Japanese fighters who maintained that they have no rights to die until the great leader's orders are implemented, and should engage in organizational and political works to implement the leader's lifetime wishes. By highly displaying the revolutionary spirit of self-reliance and fortitude, the functionaries should actively seek and produce what is lacking and unconditionally carry out the militant tasks entrusted to their units. Particularly, the functionaries in charge of the preceding sectors of the national economy—including the coal mine industry, the electric power industry, the chemical industry, the building material industry, the rail transport industry, and the metal industry—should strive to resolutely implement tasks set forth by the great leader in his lifetime.

Assuming an attitude of master toward their revolutionary mission and carrying out the economic organizational work in a revolutionary manner are important demands in implementing the great leader's lifetime teaching.

Today, our workers, including the working class, have a high degree of loyal enthusiasm; they are accomplishing the tasks given by the fatherly leader while going through fire and water. The question is: In what way should our functionaries, who take charge in combat and guarantee the supply of materials, bring their organizational work in step with such enthusiasm.

All functionaries in the economic sector should go down to lower units; have a detailed grasp of the actual situation; solve pending problems in a timely manner; and implement guidance for production as well as for supplying materials and managing facilities, possessing a high sense of responsibility. Functionaries should enable all management activities to shift into gear as regards the finest details in conformity with unified and detailed planning, and should actively organize and mobilize the masses so they can implement relevant plans.

The more intensively combat is waged, the harder the functionaries should struggle to actively find out all kinds of inner reserves and save fuel, power, raw materials, and other material including electricity, coal, and crude oil.

In his historic last wish, the great leader Comrade Kim Il-song earnestly taught that all our functionaries should mingle with the people, learning from them as well as teaching them. This serves as a precious guideline which our functionaries should regard as a motto, for today and also in the future.

Our functionaries should mingle with the people, always keeping deep in their hearts the sacred image of the fatherly leader who had shared life and death, joy and sorrow with the people during his entire lifetime, while maintaining the noble idea of "serving the people as heaven." Functionaries should always lend an ear to the voices of the broad-ranging producer masses, and stir up the masses' conscious enthusiasm and creative strength by giving priority to political work.

All functionaries should achieve a breakthrough of innovations by setting their hands first to difficult and hard work, like the anti-Japanese guerrilla commanders did, and should always set examples in stirring up the masses to achieve new upsurges in production.

It is important to enhance the roles of party organizations at various levels in order to help all functionaries wage a vigorous struggle to accomplish the great leader's last wishes.

Party organizations should actively help and lead all functionaries so they can devote all their wisdom, energy, and enthusiasm to the accomplishment of the great leader's last wishes, while always keeping his ocean-like benevolence deep in their hearts.

Party organizations should help functionaries nu f? p?ge of lualty, which they firmed up before the departed soul of the fatherly leader, and help them accomplish such a pledge in the entire process of their work and life so all our functionaries can more faithfully carry out their jobs, while keeping in their hearts the faith that the great leader Comrade Kim Il-song is forever with us.

Today, the political and ideological state of our functionaries is very good, and the prospects for socialist construction are bright.



All functionaries should uphold the leadership of the dear leader Comrade Kim Chong-il and effect a new turn in the accomplishment of the party's revolutionary economic strategy, thereby brilliantly realizing the fatherly leader's far-sighted plan for socialist construction.

### **Reunification by Confederal System Stressed**

*SK0111031294 Pyongyang Korean Central  
Broadcasting Network in Korean 0630 GMT 31 Oct 94*

[Unattributed talk: "The Reunification of the Country Should Be Achieved Through a Confederal System Based on the Three Principles of National Reunification"]

[FBIS Translated Text] The great leader Comrade Kim Il-song has taught: There are no changes in the principles and lines for the reunification of the fatherland presented by our party and the Government of our Republic. In the future, too, we will make every effort to achieve the country's reunification through a confederal system based on one nation, one country, two systems, and two governments in accordance with the three principles of independence, peaceful reunification, and the great unity of the nation.

We should achieve the country's reunification through the confederal system based on one nation, one state, two systems, and two governments in accordance with the three principles for national reunification presented by the great leader Comrade Kim Il-song. This policy has elucidated the road to more satisfactorily solve national problems in compliance with the prevailing and concrete situation.

The national reunification program the North and South jointly agreed upon and announced in the 4 July joint statement is the basic formula to enable the North and South, which have different political viewpoints, ideologies, and systems, to solve jointly the reunification questions in accordance with the three principles of independence, peaceful reunification, and the great unity of the nation.

The most expeditious and certain way to achieve national reunification in the situation in which two different systems exist in our country is through the confederal system based on one nation, one state, two systems, and two governments. The objective of the reunification program through the confederal system based on one nation, one state, two systems, and two governments is to achieve reunification by establishing a unified national state, leaving the different systems and governments as they are in the North and South.

The program through the confederal system has stemmed from the fact that the two different systems and the two different governments can exist within one national state. Although our country has been divided by outside forces for nearly half a century, the North and

South, as one nation, has not changed its national community character. From the national point of view, they are still homogeneous.

If there is something that is different between the North and South, it is the difference of the two systems, which has existed over the past 40 years. This will not be a big problem because of the national community viewpoint and homogeneity. The difference between the two systems will never be the condition for our nation to live separately, nor will it become an obstacle to the reunification of the North and South. The two systems can exist within one nation and one unified state if they are based on the national community, which has been historically forged and consolidated.

Without seeing such a possibility, South Korea calls on reunification according to one system under the pretext of restoring the national commonness and insists that the country cannot but remain divided until the systems are united. This is aimed at perpetuating the country's division and is an antireunification notion designed to block the country's reunification by any means.

In addition, we cannot even estimate when reunification according to one system would be realized under the condition that the two different systems and the two governments still exist in the North and the South and neither of the sides is willing to make concessions. Furthermore, if one side asserts its system on the other side, it will bring about confrontation and collision, and even an irreversible national tragedy.

If a theory on peaceful coexistence, which acknowledges the two governments as respective sovereign states, is pursued by maintaining that a peaceful method should be sought, it will result in two Koreas—which goes against national reunification.

In order to avoid the system and reunification formula that would drive the nation into destruction through a war and to deny the system that would perpetuate the national division with the existence of the two different sovereign states, we should choose the reasonable reunification method that would approve the existing two systems and two governments.

Reunifying the country through the confederal method based on one nation, one country, two systems, and two governments is a primary principle of the reunification method in accordance with the current situation of our country. If the supreme national confederal assembly, which has the authority of the unified confederal state, and the confederal standing committee, its permanent organ, are established and, under their guidance, the two governments of the North and the South carry out local autonomy, the confederal method of reunification based on one nation, one country, two systems, and two governments can be realized.

By reunifying the country through the confederal method based on one nation, one country, two systems,



and two governments, the North and South can end the country's division; reconcile and unite as a same nation; and peacefully reunify the country in the quickest way. Embodying such a primary principle of the national reunification method, the North has already presented a proposal to found the Democratic Confederal Republic of Koryo [DCRK]. The proposal to found the DCRK is the most fair and practical method of reunification and is the nation's common method for reunification.

Founding a pannational reunified country that can represent all the members of the nation of every party, every faction, and every stratum while maintaining intact the current two systems and two governments in the North and the South; and founding a confederal state in which the two local governments of the North and the South equally participate, have also been set as an ultimate goal of the great unity.

Even though such a brilliant road to national reunification is clearly elucidated, the Kim Yong-sam treacherous group still insists on reunification according to one system to deepen its isolation. This will only reveal its antireunification and separatist color.

If the South Korean authorities truly have interest in the country's reunification, they must not dream of achieving reunification by a victory over communism, which cannot be realized at any time, but must accept our practical reunification method through the confederal system.

By embodying the three principles of independence, peaceful reunification, and great national unity and upholding the 10-point program for great unity of the whole nation for national reunification clarified by the great leader Comrade Kim Il-song, we will make all possible efforts to realize the country's reunification in accordance with the confederal system based on one nation, one state, two systems, and two governments.

### South Korea

#### North Ministry Announces Nuclear Program Freeze

*SK0111084294 Seoul YONHAP in English 0836 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—North Korea said Tuesday it will stop operation of its 5-megawatt atomic reactor and halt construction of two larger units as promised in the nuclear agreement with the United States.

A North Korean Foreign Ministry spokesman said, in an interview with the North Korean Central News Agency, the necessary steps were being taken for these actions, along with measures to freeze operation of its radiochemical laboratory, which is thought to be a reprocessing facility, according to NAEWOE PRESS, the official North Korea watcher here.

The spokesman reportedly said North Korea had already proposed negotiations with the United States last week to discuss the safe disposition of spent fuel rods, adding "These steps show we are implementing due responsibilities of the (North) Korea-U.S. basic agreement."

Pyongyang and Washington signed an agreement Oct. 21 that in essence freezes North Korea's nuclear activities in exchange for better relations with the United States.

The accord says North Korea will decommission its graphite-moderated reactors within one month after the pact is signed.

The Communist state was building 50-megawatt and 200-megawatt reactors which will now be dismantled.

The spokesman said North Korea had taken steps to remove the new fuel rods that were ready for reloading in the 5-megawatt reactor.

#### Building Reactors in North Part of Overall Plan

*SK0111062894 Seoul YONHAP in English 0559 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—Building new reactors for North Korea is not simply implementation of an agreement but part of development plans to secure energy for the Korean peninsula in the 21st century, Unification Minister Yi Hong-ku told lawmakers Tuesday.

Appearing before the National Assembly to answer questions on unification and foreign affairs, Yi said the light-water reactor project should be pursued under such development plans.

He admitted to shortcomings in the nuclear agreement between North Korea and the United States but said it meets South Korea's ultimate goal.

"We will be taking thorough follow-up measures in future implementation," he said.

The government is clear about inter-Korean economic cooperation and is drawing up mid- and long-term plans, Yi told the assembly. "But as to when and how to propose inter-Korean dialogue, the government will sound out different opinions before announcing its final position."

He named a South-North Korean peace regime as a priority task but emphasized the principle of resolution by the direct parties involved. "Nevertheless, we are considering ways to have other countries participate in the process," he said.

Foreign Minister Han Sung-chu told lawmakers that while Seoul's share of the reactor project hasn't been decided, South Korea will assume the central role in architectural design, equipment supply and actual construction.



He offered assurances that the secret minute agreed between Washington and Pyongyang, as requested by North Korea, contains nothing disadvantageous to South Korea.

There are no other secret agreements or minutes, he said.

Defense Minister Yi Pyong-tae, meanwhile, apologized for Monday's incident in which a private first class went on a rampage during shooting practice and killed two superiors before committing suicide.

"I am sorry to have caused public concern," said Yi, promising to take preventive measures against any such incident occurring again.

Turning to budgetary matters, he said the South Korean share of maintaining American troops here had necessarily gone up from the 1991 agreement to pay one-third of the won-based cost.

"But we have made clear to the United States that we cannot make further increase after 1996," Yi said. "We will try our best to minimize our burden-sharing."

#### **Defense Minister Rejects Peace Agreement Idea**

*SK0111104294 Seoul KBS-1 Radio Network in Korean 1000 GMT 1 Nov 94*

[Report by Yi Se-kang on 1 November National Assembly interpellation on foreign affairs and security policies]

[FBIS Translated Excerpt] [passage omitted] Defense Minister Yi Pyong-tae made it clear the government does not intend to replace the Armistice Agreement with a peace agreement, saying the North-South peace agreement would not help stabilize peace on the Korean peninsula, but would only diminish the justification of the U.S. Forces' stationed in the South and weaken our war deterrence capacity. [passage omitted]

#### **Seoul Said Reconsidering Policy Toward DPRK**

*SK0111120794 Seoul MUNHWA ILBO in Korean 1 Nov 94 p 1*

[FBIS Translated Text] The government has begun to fully review its policy toward North Korea following the North Korean-U.S. agreement reached in Geneva. Accordingly, it has made a blueprint for the comprehensive improvement of North-South relations, believing it very important to forge a long-term plan and a national consensus to prepare for future North-South relations and national reunification.

The government predicts North and South Korea will enter the North-South confederal stage [nambuk yonhap tangyo], which is the secondary stage of the "Reunification Formula for the National Commonwealth," before or after 2003 when the technology for building light-water reactors is completed. Based on this judgment, the

government has formulated detailed management plans for North-South relations for the next 10 years.

A high-level government official stated on 1 November: "Future North-South relations will be determined by two key variables: the stabilization of the Kim Chong-il system and the support for building light-water reactors. We can expect North and South Korea will enter the North-South confederal stage around 2003 if the Kim Chong-il system remains strong and if they remove obstacles that hinder the building of trust and the promotion of exchanges and cooperation, using the building of the light-water reactor as an excuse.

The scenario designed by the government is based on situations in which socialism in North Korea overcomes the crisis it faces at home and abroad, and in which North Korea is competitive with South Korea rather than confrontational. North Korea has laid the foundation for developing the three areas—agriculture, light industry, and trade—through the three-year adjustment period effective in 1993.

Furthermore, North Korea is expected to begin the Fourth Seven-Year Economic Plan in 1996 if it successfully applies the capitalist system to various fields such as investment, trade, banking, and technology on the occasion of the signing of the North Korean-U.S. agreement.

If this plan succeeds, in 10 years North Korea's economic power will reach that of South Korea between the middle of the 1980's and the early 1990's.

The government will reconsider its North Korean policy that has emphasized North-South dialogue. By so doing, it will expand North-South dialogue in all available fields, diversifying the form of contacts between the North and South. Also, it plans to make authority-level contacts between North and South as supplementary in backing the civilian-level dialogue between the North and South. The operation of the Joint Economic Committee's meeting, which will back economic cooperation, is expected to resume around April 1995 when an international consortium is carried out and North Korea signs a contract regarding the building of light-water reactors.

#### **Source on Kim Chong-il's Assuming Leadership**

*SK0111024094 Seoul YONHAP in English 0234 GMT 1 Nov 94*

[FBIS Transcribed Text] Beijing, Nov. 1 (YONHAP)—North Korea's de facto leader Kim Chong-il is likely to be named general secretary of the Workers' (Communist) Party at a plenary session of its Central Committee in mid-November, an Eastern European source here said Tuesday.

Based on information he claimed to have collected from North Korean Government and party leaders, the source said: "Kim is expected to be set up as party general



secretary unanimously at the Workers' Party Central Committee plenary session between Nov. 10 and 15. Central Committee members will soon be notified of the convocation of the plenary session."

As for Kim Chong-il's assumption of the state presidency, the source speculated that he would be elected to the post during the forthcoming regular session of the Supreme People's Assembly slated for early December.

The source attributed the delay in Kim Chong-il's formal succession to power to "serious differences in opinion in the leadership over the nuclear negotiations with the United States and a shift in major policies such as adoption of an open policy, and delicate conflicts between Kim and the first generation of partisans, rather than the mourning period for the senior Kim. [no closing quotation mark as received]

"Now that O Chin-u, minister of the People's Armed Forces, the chieftain of the first generation of revolutionaries, is out of the country for medical treatment, the obstacles to Kim's power succession have all but been eliminated."

The source further observed that when Kim Chong-il formally took the helm, his close associates—Kim Yong-sun and Hwang Chang-yop, both secretaries of the Workers' Party, and his younger sister's husband Chang Song-taek—would emerge as the core force, and that a more open external policy would gradually be implemented.

#### **Prime Minister on Summit-DPRK Succession Link**

*SK0111104994 Seoul YONHAP in English 1035 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—Prime Minister Yi Yong-tok said on Tuesday his government would promote a South-North summit meeting once a new leadership is formally inaugurated in North Korea.

Testifying at a National Assembly Plenary Session, Yi said that when inter-Korean dialogue is resumed, the government would strive to resolve the dispersed family issue on a top priority basis.

The prime minister said the government has no plan to reconsider its existing nuclear policy in a circumstance where, he said, conditions are being fostered for the denuclearization of the Korean peninsula thanks to the recent U.S.-North Korea agreement.

Yi also said the firm stand of his government is that anything that jeopardizes the South's security base cannot be subject to negotiations with North Korea.

"The Seoul-Washington security cooperative system should continue to be solidly maintained," he said. "There can be no change in the U.S. military presence in Korea without advance agreement with us."

He said the government would consider streamlining and supplementing relevant laws in preparation for a progress in inter-Korean relations.

Also at the assembly session, Deputy Prime Minister Yi Hong-ku said the government has taken various preparatory steps to progressively ease restrictions in economic cooperation with North Korea depending on the development of inter-Korean relations.

"I expect that details of such steps will be announced before long," Yi, who is also national unification minister, said.

He further said the government regards the recent U.S.-North Korea agreement not as an overall resolution to the North Korean nuclear question but as the beginning of a resolution.

"Therefore, we will concentrate on getting follow-up measures fulfilled strictly," he said.

#### **Unification Minister Interviewed on N-S Dialogue**

*SK0111002494 Seoul THE KOREA TIMES in English 1 Nov 94 pp 1, 2*

[Article by political editor Chong Un-pyong]

[FBIS Transcribed Text] Yi Hong-ku, deputy premier for national unification affairs, said the government is waiting for a signal from North Korea for the resumption of inter-Korea for the resumption of inter-Korean dialogue to discuss various issues including economic cooperation with it.

However, the government recognizes this may take some time since North Korean leader Kim Chong-il has yet to be officially "installed." Technically, North Korea is in a state of "headlessness." In the current situation, there is no way for the government to move for dialogue resumption, Yi said in a special interview with THE KOREA TIMES on the occasion of the 44th anniversary of the independent English-language daily.

He said, "The government is just hoping that power will be formally taken over in a peaceful way in North Korea as it will be our dialogue partner in efforts to open up a new era of cooperation for our common prosperity."

He said the government is ready to start dialogue to prepare for mutual cooperation with North Korea now that Pyongyang and Washington have reached an overall agreement on the nuclear and diplomatic issues in Geneva.

He said the government has given serious study to the issue of economic cooperation compiling opinions from many segments of society from the standpoint of helping North Korea out of current difficulties. However, he said the timing and form of the economic cooperation will depend on the attitude of North Korea.

Economic cooperation with China has been proceeding well since diplomatic normalization in 1992 with trade



volume already hitting \$10 billion. "Why then can't we do the same with North Korea," he said.

Yi, who has spent the better part of his career as a professor teaching political science at Seoul National University, said there has to be change in public mentality peninsula-wide.

With the sweeping fall of communist regimes worldwide, there is no place for ideological confrontation. A desire for cooperation between South and North Korea should replace the confrontational mind-set.

The South Korean aid to build nuclear reactors for North Korea, for example, he said, should not be viewed through the narrow window of zero-sum thinking. It should be taken as preparation for the energy needs of the entire Korean peninsula in the 21st century, he said.

Revealing that work is underway to set up an international consortium for the light-water reactor project Yi said, "I think the United States and Japan should share part of the financial burden. As the only superpower of the present world, the United States should provide technical as well as financial assistance to stop nuclear proliferation. Japan should assume a share commensurate with its economic power to make a contribution to the security and peace of Northeast Asia."

He stressed that South Korean financial aid will not take the form of cash but will be plant facilities manufactured and assembled here and technical manpower.

As to the South Korean share of the burden, he said he could not put a definite figure on it. One thing he could say for now is that it will be at a level corresponding to the centripetal role South Korea will play in the construction of the two light-water reactors in North Korea.

He said the government thinks the provision of reactors for North Korea is very significant in terms of inter-Korean relations because they are the same type as those now under construction in Ulchin, South Korea.

Since South Korea is to play the centripetal role, this will surely be a good opportunity to increase inter-Korean exchanges and eventually contribute the South-North reconciliation and cooperation.

As for the expected diplomatic recognition of North Korea by the United States and Japan, the 60-year-old political scientist said there is no reason for South Korea to oppose it.

It will help contribute to opening the most-closed society in the world. North Korea should break out of its isolationist cocoon, enter the international community and behave itself as a responsible country, he said.

Then, the Korean peninsula will become free of its present security worries. When the security issue is overtaken by the issue of welfare of the Korean nation, the costly maintenance of strong military forces will not

be necessary. Then, dialogue for mutual arms reduction on the basis confidence can happen, according to him.

He said the government unification policy is first to help North Korea adapt itself to the new international environment so that it can be led into building a so-called Korean Commonwealth where South and North are assured of equal footing, a step short of national reunification.

Minister Yi said the government has not the slightest intention of achieving unification through absorption. Abrupt unification is costly as seen in the case of Germany and Yemen. Unification has to be achieved gradually by restoration of the national homogeneity of South and North Korea, he said.

#### **NUB Approves Entrepreneurs' Visits to North**

*SK0111005094 Seoul YONHAP in English 0045 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—The government has decided to allow private enterprises to visit North Korea and establish branch offices there this year, an official at the National Unification Board (NUB) said Tuesday.

A senior NUB official called in officials in charge of North Korea from 15 companies with experience in inter-Korean trade last week and notified them of the government's decision, the official said.

The government told the firms that it will allow phased visits by businessmen to North Korea, technicians' stay there, establishment of South Korean business branches, and shipping of production facilities for processing-on-commission.

The government has restricted business visits to North Korea as well as any active moves toward full-fledged inter-Korean economic cooperation since the North Korean nuclear problem cooled South-North Korean relations.

#### **North's Efforts To Sell Treasury Bonds Viewed**

*SK3010141894 Seoul MUNHWA ILBO in Korean 28 Oct 94 p 21*

[Report by the NAEWOE News Agency]

[FBIS Translated Text] North Korea has been making utmost efforts to sell "treasury bonds" [jaebu chungwon] to businessmen of the General Association of Korean Residents in Japan [Chochongnyon] and compatriots repatriated from Japan to North Korea. This is noteworthy.

The Sixth Bureau (Treasury Bond Bureau) of the Taesong Bank issued treasury bonds in 1990. North Korea again issued treasury bonds recently as its foreign



exchange problem worsened. It almost forces Korean businessmen in Japan and wealthy repatriated compatriots to buy them.

According to Chochongnyon businessmen, 100,000- and 1 million-yen bonds were issued in the form of certificates of long-term bonds that pay 6 percent interest annually and will mature in 10 years.

It is said that Korean businessmen in Japan and repatriated compatriots hesitate to buy the bonds because there are many pitfalls.

For example, bonds cannot be refunded unless emergency funds are needed due to an accident beyond human control. Before a bond is refunded, approval must be obtained from the treasury bond guiding official, the cell secretary and chief of the Sixth Bureau, and the president and vice president of the Taesong Bank. Also, the interest and 2 percent of the principal must be paid back when a bond is refunded.

#### **Representative No's 'Extremist Remarks' Noted**

SK0111082794 Seoul YONHAP in English 0808 GMT 1 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—Professor-turned-prime minister and now ruling party lawmaker No Chae-pong whipped up a violent storm Tuesday [1 November], blowing away just about the entire country including the president with his extremist remarks at the National Assembly.

The ruling camp had a feeling that something was about to break when No kept his questionnaire and remark sheets strictly confidential, definitely an unusual practice.

Its intuition was right.

"I took my stand here today to unleash what has been locked up inside my mind," No began in the National Assembly interpellation session on unification and foreign affairs.

The repatriation of Yi In-mo, who refused to give up Communist beliefs, to North Korea was a birthday present for late Pyongyang leader Kim Il-song, and Seoul's payment for North Korean nuclear reactors is a carrot for the enthronement of his son Chong-il, No said.

He gradually worked up to lashing President Kim Yong-sam's "new Korea" ideology.

"The so-called 'nationalism' that was used by the progressive forces to conceal their conspiracy has emerged precisely through this new Korea ideology," No charged.

He went back to President Kim's earlier speeches where he said no ally was better than the people of his own race, that no philosophy or belief could bring more happiness than the people of his own race.

"These two declarations are the core to nationalism and the roots to the present government's policy of distancing itself from the United States and making up to North Korea," he said.

He then whipped his own camp, which recently incorporated dissident figures. "This just shows you what serious delusion the ruling camp is suffering from. It's time to tell fantasy from reality."

Ruling camp chairman Kim Chong-pil wasn't about to let this go. He called No into his office and threw about harsh words for a few minutes. A spokesman said Kim appealed to the lawmaker, saying his comments were unfit from the party's point of view and that No should be more aware of his role within the party organization.

First State Minister So Chong-won, also from the ruling party, found no heart to condone No's behavior, calling him a "Don Quixote."

The opposition camp had a hay day, saying No's remarks smacked of fascism and McCarthyism.

Spokesman Pak Chi-won wondered how a man with such thinking could have become prime minister, and was especially angry about No's remarks on pro-North Korean forces.

"This is nothing short of Hitler," said Rep. Yi U-chong.

But No was nonchalant. "What I said today, I have been saying all along in National Assembly committees," he stated in his own defense. "I said everything from a national viewpoint. I wasn't representing a particular faction or thinking about reshaping the political circle."

#### **Pro-North Group in Japan Reportedly Expands Aid**

SK0111014094 Seoul YONHAP in English 0111 GMT 1 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—The pro-Pyongyang Federation of Korean Residents in Japan, Chochongnyon, has intensified assistance to North Korea under "patriotic projects" after the end of the 100-day mourning period for former President Kim Il-song, a North Korean newspaper reported recently.

The CHOSON SINBO reported that Chochongnyon is looking at various projects to boost the socialistic economic structure of North Korea under the leadership of Kim Chong-il following the end of the mourning period for his father.

The official Pyongyang watcher here, NAEWOE press, said Tuesday that the North Korean paper cited Chochongnyon's Hyogo Prefecture headquarters as an exemplary case.

The newspaper reported that pro-Pyongyang Koreans in the Japanese prefecture have been working on patriotic projects since 1991 by supplying laver cultivation technology to North Korea while sending light industry



products displayed at the Pyongyang station department with pocket money saved every month.

The paper added that Chochongnyon staff and industry figures in the Japanese province had sent 3,278 articles of equipment and materials to North Korea including those needed for the raising of superior laver.

This year, the federation has been supporting North Korea's footwear industry and it stepped up the supply of parts for the industry after the 100-day mourning period expired.

#### **Kim Tae-chung Urges PRC Equidistant Policy**

*SK2910123694 Seoul YONHAP in English 1226 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Chairman Kim Tae-chung of the Asia-Pacific Peace Foundation said Saturday while North Korea has improved its relations with the United States, Japan, China and Russia since Kim Il-song's death, South Korea's relations with the North have worsened because of the government policy against mourning over Kim's death, indirectly criticizing the government's North Korea policy.

Kim, who was defeated by President Kim Yong-sam in the 1992 presidential election, remarked that diplomacy has become so important that it is "never too much to say diplomacy now is a matter of life or death to us."

Speaking at the closing ceremony of the foundation academy's first class, he stressed the need for the nation to develop diplomatic skill.

"We are hot-tempered and we easily reveal our mind and this why we are a poor hand at diplomacy," he observed.

Touching on his visit to China next week, he said he would ask Chinese leaders to persuade the North Koreans to contribute to establishing lasting peace in Northeast Asia, while urging Beijing to adopt an equidistance policy toward North and South Korea.

#### **PRC Spokesman on Armistice Agreement, Reactors**

*SK0111001494 Seoul THE KOREA HERALD in English 1 Nov 94 p 1*

[FBIS Transcribed Text] China supports the North Korean call for replacing the Armistice Agreement on the Korea Peninsula with a new peace system, said Shen Guofang, a spokesman for the Chinese Foreign Ministry, yesterday.

He said China has decided to pull out its officers from the Armistice Commission because it believes it's abnormal that the armistice still exists on the peninsula when the Cold War is over worldwide.

Beijing hopes that the "parties concerned" would find a way to set up a new peace system here through dialogue, he said without specifying who are those parties.

But it still believes that the present Armistice Agreement should be observed until a proper replacement is arranged, said the spokesman in a news briefing at Hotel Lotte on the result of the talks between President Kim Yong-sam and visiting Chinese Premier Li Peng.

Shen said China has not been requested by anyone to participate in an international consortium, which will be formed soon to arrange the construction of light-water nuclear reactors in North Korea.

"China would give a very careful consideration when such a request is made and Chinese companies, as well, would study possibilities of cooperation in their own way," he said.

Asked about Chinese evaluations of the political situations in North Korea, the spokesman said, North Korea is stabilized.

"Stability in North Korea is in the interests of not only China and South Korea but also all Asian countries."

Shen further said Beijing wants to keep good relations with both South and North Korea out of its belief that such relations are good for maintaining peace and security on the Korean Peninsula.

He said the Chinese government has been "active" in realizing the Seoul visit by its President Jiang Zemin. The two countries will discuss in detail about his South Korea visit through diplomatic channels, the spokesman said.

The South Korean government earlier said the Chinese president is expected to visit here sometime next year.

#### **Urges Replacing Armistice System**

*SK0111083794 Seoul YONHAP in English 0832 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—South Korea should play a proper role in changing the armistice system on the Korean peninsula into a peace regime, Chinese Foreign Ministry Spokesman Shen Guofang said Tuesday.

It is abnormal for the armistice system between South and North Korea to have been maintained for more than 40 years, Shen noted.

The spokesman said at a briefing after South Korean Prime Minister Yi Yong-tok had met his Chinese counterpart Li Peng that the armistice system on the peninsula should be replaced with a peace mechanism.

"The sides concerned will have to solve the problem of changing the armistice system into a peace system. South Korea, although it is not one of the parties concerned with the armistice agreement, should play a proper role



in the peace system since it is directly related to stability and peace on the Korean peninsula," Shen said.

He did not, however, elaborate on which countries comprise the "parties concerned."

He said that certain stages should be passed through to achieve the new peace system and that the current armistice agreement must remain valid until these stages are completed.

Reacting to Shen's remarks, a South Korean Government official said China had notified Seoul that it told Pyongyang the current armistice system should be maintained until a new peace regime is established.

Meanwhile, citing the positive results of Chinese Premier Li Peng's visit here, Shen said the two nations had discussed ways to cooperate economically and concluded a nuclear energy agreement.

### **PRC Premier Li Continues Visit, Meetings**

*SK0111010294 Seoul THE KOREA TIMES in English  
1 Nov 94 pp 1, 2*

[FBIS Transcribed Text] Chinese Prime Minister Li Peng said yesterday that China will play a constructive role in leading North Korea into implementing in full the nuclear agreement it signed with the United States in Geneva.

In their 110-minute talks at Chongwadae [presidential offices], President Kim Yong-sam and Li exchanged views on a wide range of matters of common interest ranging from the resolution of Pyongyang's nuclear issue to the environmental protection in Northeast Asia.

Assessing that the North Korea-U.S. Geneva agreement has laid the foundation for the full resolution of Pyongyang's nuclear issue, Kim stressed the importance of the North's compliance with the accord, said Chong Chong-uk, senior presidential aide for foreign affairs and national security.

During their exclusive talks that lasted 70 minutes, they also focused on the resumption of inter-Korean dialogue and the recent developments in the North in the wake of the death of North Korean leader Kim Il-song.

President Kim noted that the numerous South-North dialogue of late have gone nowhere due to mutual distrust between the two Koreas, saying, "With the U.S.-North Korea agreement signed, I hope all inter-Korean dialogue will resume and proceed well. Our door to dialogue is left wide open."

He called upon China to lend its helping hand for the resumption of the inter-Korean dialogue, according to Chong.

Kim was quoted as saying that if power succession is carried out peacefully and completed officially, inter-Korean summit should be pursued. Kim was to hold a summit with Kim Il-song in July but it was not realized because of his death.

The President went on to accent that Seoul and Pyongyang should brush away their attitude of confrontation at the earliest possible date and resume dialogue. "By doing so, both sides will be able to move toward national reunification based on co-existence and co-prosperity."

He stressed the need to build inter-Korean credibility in the political and military areas and explained to Li Seoul's basic policy of honoring the free will of the whole Korean people for national reunification. Kim asked Li to convey Seoul's position to Chinese leaders.

Li, in turn, assessed the recent situation in the North. Chong said that Kim and Li discussed at length on the North's political development but he refused to elaborate.

President Kim expressed his view that it is Kim Chong-il who will rule North Korea after his father's death, adding that an early settlement of Kim Chong-il's leadership will be conducive to the stability of the Korean peninsula.

He noted that the new leadership in the North should cope with the economic pinch by opening its door to the world.

Kim and Li were then joined by their top aides for an extended session in which they expressed satisfaction with the development of bilateral relations in both economic and non-economic areas since the establishment of diplomatic ties two years ago.

President Kim pointed out that the issues of automobile trade and the opening of Korean bank branches in China still remains unsettled, hoping for the expansion of bilateral trade through lowering of trade barriers.

However, they voiced satisfaction with the successful translation into action the joint efforts in aviation, automobile, high definition TV and electronic telephone switching sectors which had been agreed during Kim's visit to China last March.

At the request of Kim, they also agreed to cooperation in the nuclear energy field.

Kim expressed his hope that Korea, with its abundant experience and skills in the construction of nuclear power plants and civil engineering, will contribute to the Chinese economic development, revealing that Korea will grant the Economic Development and Cooperation Fund (EDCF) to the maximum extent for projects helpful for China's development.

Kim also called for Chinese cooperation in the environment conservation in Northeast Asia.

With regard to the mutual cooperation in international arenas, they agreed to exert joint efforts for free trade within the framework of the Asia-Pacific Economic Cooperation (APEC).



President Kim revealed that Seoul will support Beijing's bid to return to the GATT regime, while Li reaffirmed Chinese support for Korea's candidate for secretary general of the World Trade Organization (WTO).

After their talks, the leaders attended ceremonies where the agreements on provisional civil air transportation, cooperation in and peaceful use of nuclear energy and joint development of aircraft were signed.

Earlier in the day, Li was greeted by Foreign Minister Han Sung-chu and other Korean dignitaries upon his arrival at the Seoul Airport.

Li was accompanied by Deputy Premier-Foreign Minister Qian Qichen and a 70-odd retinue including businessmen.

Apart from the official entourage, a 40-man trade mission of the China's Council for Promotion of International Trade (CCPIT) is visiting here.

Chinese President Jiang Zemin plans to visit Seoul early next year, the presidential office said.

While in Korea, Li will concentrate on having a first-hand look at Korea's economic development, visiting major industrial complexes.

#### **Discusses Ties With Counterpart**

*SK0111083394 Seoul YONHAP in English 0827 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—The prime ministers of South Korea and China held an intensive discussion Tuesday [1 November] on bilateral cooperation in the economic and cultural fields while sharing understanding on the inter-Korean situation.

During a meeting at the Government Building, Prime Minister Yi Yong-tok asked his visiting Chinese counterpart Li Peng for assistance in dissolving distrust between South and North Korea and to convey to Pyongyang that Seoul has no intention of seeking national unification through absorption.

For his part, the Chinese premier said that both Koreas would suffer if the situation on the peninsula worsened, disclosing that China does not want to see any tension between the two.

"China must maintain friendly relations with neighboring countries to devote itself to economic construction," said Li.

Yi's press secretary, Kang Hyong-sok, revealed that the premiers also expressed satisfaction over their countries' rapidly developing economic links during the past two years since diplomatic normalization, while agreeing to the necessity of increasing bilateral cooperation in aerospace, atomic energy, automobiles and advanced technology.

In the cultural field, Yi asked the Chinese premier to cooperate in restoring and repairing Korean cultural relics in China such as the Korean provisional government buildings in Shanghai and Chongqing, set up during Japanese colonial rule over Korea.

Yi also requested Chinese cooperation for Seoul's efforts to repatriate the remains of Korean patriots killed during the colonial days.

They agreed to boost exchanges in the cultural and academic fields under the bilateral cultural cooperation accord.

At the meeting, Li conveyed his intention to invite Yi to Beijing, with the latter replying that it should be discussed further through diplomatic channels.

Earlier in the day, Li visited the National Assembly and met speaker Hwang Nak-chu and figures from the ruling and opposition parties including Democratic Liberal Party Chairman Kim Chong-pil and Democratic Party Chairman Yi Ki-taek.

After having lunch with his South Korean counterpart, Li toured Daewoo Motor Co.'s Pupyong Plant.

#### **Begins Industrial Facilities Tour**

*SK0111075294 Seoul YONHAP in English 0739 GMT 1 Nov 94*

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—Visiting Chinese Premier Li Peng embarked on an observation tour of the country's industrial facilities Tuesday [1 November], accompanied by Foreign Trade and Economic Cooperation Minister Wu Yi and other top economic honchos.

Korean business leaders regard Li's tour as an important event as they expect that he, as China's top economic policymaker, will reflect what he sees and hears during the tour in Beijing's economic policy toward South Korea, including increased bilateral trade and investment.

In particular, business conglomerates here will use Li's tour of their factories as an opportunity to explain their plans to invest in China and ask for his cooperation.

Samsung: This business group will receive Li as a guest of honor twice on Wednesday—at Samsung Electronics Co.'s semiconductor factory in Kihung in the morning and at Samsung Aerospace Co.'s factory in Changwon in the afternoon. Group Chairman Yi Kun-hui will host a luncheon for him and his entourage in between.

Kim Kwang-ho, head of the group's Electronics Division, will accompany Li on his trip to Changwon, and during this trip Kim is expected to brief Li on the group's plan to increase investment in China's electronic consumer goods, electronic telephone switching system and semiconductor industries.



Samsung, as the Korean point of contact in the joint medium-sized aircraft development project to be promoted under an agreement signed by the two countries here Monday, is striving to attract the aircraft assembly line to South Korea, and during Li's tour of Samsung Aerospace's Changwon factory the conglomerate will work to impress the technocrat-turned premier with technical levels that are higher than China's comparable factory.

In addition, Samsung will brief Li on its plans to invest in China's petrochemical industry and economic infrastructure to gain his cooperation.

Hyundai: Chairman Chong Se-yong will welcome Li and his party to the group's car assembly lines and heavy industry factories in Ulsan Thursday. He will also have a lunch meeting with Li to explain his plans to invest in China's escalator, steel container, car audio system and semiconductor industries.

Chong will then ask Li about the possibility of Hyundai's participation in China's subway and railway construction projects, while soliciting him to cooperate in its plans to increase car exports to China and invest in China's ship repair dock industry.

A Hyundai Motor Co. official says, "In working-level negotiations with china, we have neared agreement on a joint-venture automobile project, and we expect premier Li's visit to our factory to lead to Beijing's positive policy for the joint-venture project."

Daewoo: Li's industrial tour starts with a visit to Daewoo Motor Co.'s assembly lines in Pupyong Tuesday, during which Daewoo Chairman Kim U-chung will meet Li.

Last July, Daewoo agreed with China on construction of a car parts factory capable of producing enough parts to make 300,000 cars a year. In addition, Daewoo is holding "secret" negotiations on a joint passenger car development project with China. Under the circumstances, Li's tour of the Pupyong automobile assembly lines is an important event for the group's trade relations with China, as it now plans to export finished cars to that country.

As a member of the Korean consortium to develop a new medium-sized aircraft model with China, Daewoo will use Li's visit to Daewoo Heavy Industries, Ltd.'s Changwon factory Wednesday to demonstrate its level of aircraft manufacturing technology.

Lucky-Goldstar: In his meeting with Li Tuesday afternoon, Chairman Ku Cha-kyong explained his plans to increase investment in China's electronics, information-telecommunications and petrochemical industries and boost the group's China exports from 1 billion U.S. dollars last year to 6 billion dollars in 2000.

At the meeting, Ku, accompanied by the group's China experts, also exchanged opinions with Li and his economic brains on the Lucky-Goldstar group's plans to

build an office building in Beijing, and a naphtha cracking plant and semiconductor and electronic switching system assembly lines in China.

Separately from the premier's industrial tour, a group of Chinese businessmen accompanying Li on his Seoul visit, led by Chairman Cui Yushan of the Foreign Trade Promotion Committee of China, tours industrial facilities while meeting a large number of Korean businessmen.

President Li Xianglin of the Imported Automobile Center of China is to meet Korean automakers to negotiate the import of 2,000 finished cars from Korea a year, starting in 1995.

### Dailies Assess Visit to Seoul

SK0111060894

[FBIS Editorial Report] The following is a compilation of editorials and an article carried in Seoul vernacular newspapers on 1 November regarding PRC Premier Li Peng's visit to the ROK.

The conservative CHOSON ILBO publishes on page 3 a 1,200-word editorial entitled "Li Peng Came to Seoul." Noting that PRC Premier Li Peng's visit to the ROK will contribute to achieving a closer cooperative system between the ROK and PRC, the editorial stresses that President Jiang Zemin should have come instead of Premier Li in response to ROK President Kim Yong-sam's visit to the PRC, and hopes that such an "unsatisfactory formal-protocol practice" will be remunerated with "practical and substantive results."

The editorial then urges Premier Li and the Chinese Government to realize that "stability on the Korean peninsula lies in North Korea's Chinese-style reform and opening." Stressing that our government chose the position of assuming North Korea as a partner with whom coexistence is possible, instead of wishing North Korea's collapse, the editorial calls on China to play a role for correctly conveying our basic line to North Korean leaders so that it comes to the negotiating table.

The editorial notes that in the event China only pursues economic advantage in cooperating with the ROK, while continually leaning toward North Korea in security, political, and military fields, the government should not be dragged unconditionally by China, but should strive to obtain practical, substantive interests in relations with China, instead of political show-type diplomacy, festival diplomacy, and should not make hasty concessions to China.

The pro-government SEOUL SINMUN carries on page 3 a 1,000-word editorial under the headline "Substantive Development of ROK-PRC Relations."

Noting President Kim Yong-sam and Chinese Premier Li Peng broadly discussed the North Korean nuclear problem, the Northeast Asian situation, and means for expanding economic cooperation between the ROK and



PRC during the "historic summit" in Seoul, the editorial welcomes "mutual understanding" on regional security and economic cooperation issues, and notes that the first visit of a Chinese premier to the ROK since the establishment of diplomatic relations is "significant in many ways," and that the inclusion of more than 50 businessmen in the premier's entourage means that remarkable economic exchange and cooperation have been maintained between the two countries. However, the editorial writes, China should also build its relations with us, not only as an economic partner, but also as a "political and diplomatic partner."

Pointing out that China still maintains its DPRK-leaning position in dealing with the issue of the Korean peninsula, as shown in UN diplomacy regarding the North Korean nuclear problem, the editorial writes that, fortunately, China is conscious of stability and peace in Korea as it relates to its own security. The editorial expresses the hope that the Chinese premier's visit to the ROK will contribute to paving a way for Korea's national reunification and for a peace system in Northeast Asia.

The left-leaning HANGYORE SINMUN publishes on page 3 a 2,000-word article by reporter Kim song-ho, entitled "Significance of Chinese Premier Li Peng's Visit to ROK."

Describing Li Peng's visit to Seoul as an important occasion for the new development of ROK-PRC relations and for strengthening practical cooperation in the political and economic fields, the article writes that there is mutual cooperation in terms of economic relations. The article stresses, however, there are still many factors "requiring expansion of mutual trust and understanding in the political field." Noting Li Peng's visit as an "economy-oriented" tour, the article points out that nevertheless, one should not underestimate the influence Li Peng's visit exercised upon political cooperative relations between the two countries, because President Kim and Premier Li agreed that "China will play a constructive role in implementing the DPRK-U.S. agreement in the course of resolving the North Korean nuclear problem and in resuming North-South dialogue." In addition, the ROK Government succeeded in bringing about China's will for support of the ROK advancing toward nonstanding committee membership in the UN Security Council and of the candidacy of ROK minister of commerce, industry, and energy as secretary general of the World Trade Organization. This will work, the article writes, as an occasion for the ROK and PRC to intensify cooperation in the international arena.

#### **Maritime Officials Propose Ferry Route to Russia**

*SK2810020894 Seoul THE KOREA HERALD in English 28 Oct 94 p 8*

[FBIS Transcribed Text] The Korea Maritime and Port Administration has suggested maritime talks with Russia to discuss opening a direct car-ferry route linking port cities in the two countries.

An administration spokesman said yesterday that Seoul has proposed to Moscow that they open a sea car-ferry route directly linking Korea's East Coast port of Sokcho with Russia's Posiet, which is located in the Tuman River estuary on the border with North Korea.

The spokesman said that another car-ferry route via North Korean ports would become available if full inter-Korean economic cooperation was achieved with a complete settlement to the North Korean nuclear issue.

In that case, the car-ferry route would link Sokcho to Posiet via North Korea's free economic and trade zone cities of Najin and Sonbong.

Although North Korea allows legal entry by South Korean ships, in practice South Korean-flagged vessels cannot enter the country due to their stalled relations.

In April last year, local maritime transportation companies organized a consortium to push for the Sokcho-Posiet route, but their scheme bore no fruit due to the delayed Seoul-Moscow talks.

Some 100,000 passengers used the South Korea-China car-ferry routes last year. The number has increased rapidly this year, with a total of 76,000 persons by the end of June.

#### **Samsung Starts Construction of Complex in Mexico**

*SK2810083594 Seoul YONHAP in English 0650 GMT 28 Oct 94*

[FBIS Transcribed Text] Tijuana, Mexico, Oct. 28 (YONHAP)—The Samsung business group is at last starting work on its first multiple production complex overseas, which the company considers a key part of its internationalization strategy.

Samsung held a ground-breaking ceremony at the El Florido industrial complex in Tijuana Friday (KST) [Korean Standard Time] to kick off construction of the Samsung production base within the complex, attended by some 300 guests including Mexican Vice Commerce and Industry Minister Eugenio Rodriguez, South Korean Ambassador to Mexico Yi Sang-chin and the presidents of Samsung Electronics Co. (SECO) and Samsung Display Devices Co. (SDDCO), Kim Kwang-ho and Yun Chong-yong, respectively.

The production base covering 166,000 pyong (about 41,983 square yards) will draw an investment of 400 million U.S. dollars, with Samsung aiming to expand the existing SECO color-TV factory and build a new SDDCO braun tube factory as well as electronics parts and camera plants for Samsung Electro Mechanics Co. by stages from 1995 through 1997.

The Samsung base will produce 2.4 million color TVs, 2.6 million color picture tubes and 3 million spare parts related to TVs and VCRs.



In his commemorative speech, SECO President Kim said, "This base, the fruit of Samsung's new management idea propelled steadily on the basis of multiplicity and internationalization, will be greatly conducive to the development of Samsung and the Mexican economy."

The reason the group selected Mexico as the site for its first overseas production complex is simple: To offset the decrease in sales growth in the North American Free Trade Agreement (NAFTA) zone due to strong regulation of place of origin and to satisfy local TV makers suffering from a shortage of tubes.

Moreover, El Florido is just 12 kilometers by road from the United States, meaning it will be a good distribution base for the U.S. and Canadian markets.

Samsung officials disclosed that the group plans to set up two to three production bases in Europe as well, including the wynyard [as received] complex in England, in order to enter into the European market.

#### **Social Affairs Minister Leaves for Morocco**

*SK3010021294 Seoul THE KOREA HERALD in English 30 Oct 94 p 3*

[FBIS Transcribed Text] Minister of Health and Social Affairs So Sang-mok left for Casablanca, Morocco, yesterday to attend the 13-nation Middle East and North Africa economic summit.

In an effort to seek global cooperation to spur economic development of the Middle East and North African regions, the conference is expected to draw some 1,000 high-level government leaders and businessmen from 47 countries worldwide, a ministry official said yesterday.

The participants will include U.S. Secretary of State Warren Christopher and German Chancellor Helmut Kohl. Minister So will return home Thursday.

#### **Agencies Instructed To Consult Foreign Ministry**

*SK3110094094 Seoul YONHAP in English 0607 GMT 31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—The Prime Minister's Office instructed all government agencies Monday [31 October] to consult with the Foreign Ministry on all activities involving external affairs and visitors to avoid policy confusion.

The instructions apply to all vice minister-level officials who receive top-grade foreign visitors or meet with diplomats in Seoul. They must consult with the Foreign Ministry beforehand to get briefed on pending issues.

They must also compile the minutes of these meetings and distribute them to the foreign and other relevant ministries.

The guidelines say a minister's counterpart is an ambassador, and that of vice and assistant minister is embassy

minister. A director-general can be partnered with an ambassador, minister or counselor.

The minutes should include the visitor's name, nationality, personal background, itinerary and the subjects and contents of their contacts in South Korea. The Foreign Ministry should conduct a close analysis of these details to prevent policy or decision discord on specific issues.

Each ministry must notify the Foreign Ministry before it arranges a meeting between a visitor and the president. A Foreign Ministry employee has to be present when a minister meets the visitor before the president.

The instructions specifically warn against promising overseas aid without prior agreement from the government when meeting with foreign visitors. They also warn against agreeing to government, judicial, economic, technology and cultural exchanges with nations which have not yet established full ties with Korea.

The consultation requirement applies to invitations as well. Each agency and local government must talk with the Foreign Ministry before inviting vice ministerial- or vice mayor-level officials. The instructions say the Foreign Ministry must also be told beforehand about the staging of any international events.

#### **Bridge Builder Blamed for Faulty Engineering**

*SK3110094394 Seoul YONHAP in English 0628 GMT 31 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 31 (YONHAP)—The prosecution has discovered that Dong Ah Construction Industrial Co., in building the Songsu Bridge which collapsed recently, erred with the wrong upper and lower beams for truss hinges.

Finding that the component beams did not match, the bridge builder allegedly removed the outer beam, pushed the inner beam forcefully and welded the outside, according to a prosecution official.

Having unearthed such a major flaw in the engineering process, the prosecution has again questioned a Dong Ah Construction industrial director named Pak, who was in charge of bridge construction, and a person called Sin who was responsible for the construction site, the source said. Investigators are checking whether this flaw was directly responsible for the collapse of the bridge on Oct. 21.

The calamity that occurred during morning rush hour claimed 32 lives, including nine high school girls.

The prosecution has also questioned two officials from the Seoul City Administration's Road Bureau, who were dispatched to the construction site as supervisors. Both have reportedly admitted their ignorance of truss welding as well as their failure to confirm whether the bridge was constructed in accordance with the design plans.



The prosecution is awaiting the outcome of X-ray and ultrasonic examinations of 16 truss welds on the Songsu Bridge from the Korean Register of Shipping, according to the official.

Should the allegedly flawed welding of the truss hinges be confirmed as the direct cause of the collapse, the prosecution reportedly plans to prosecute responsible officials from Dong Ah Construction Industrial and the Seoul City Administration on charges of accidental homicide and injury in the line of duty.

Regarding the alleged shortening of the Songsu Bridge construction period, Dong Ah asserted Monday [31 October] that although the bridge's dedication date was advanced by one month and 23 days, it involved merely the finishing process and had nothing to do with the main engineering portion of the project.

### Yi Urges Cabinet Ministers To Make Fresh Start

SK3010063394 Seoul THE KOREA TIMES in English  
30 Oct 94 p 2

[From Press Pocket: "Sense of Mission"]

[FBIS Transcribed Text] Prime Minister Yi Yong-tok yesterday urged all ministers at a Cabinet meeting to make a fresh start one day after the opposition motion calling for the resignation of all Cabinet members en masse Friday was voted down.

At the beginning of the meeting, he told his Cabinet ministers not to regard the rejection of the motion as a sign of the people's confidence in them.

"It does not mean that our responsibilities are exempt from public scrutiny. We should rivet ourselves to make a grave determination to do our best to give people a sense of security in their everyday lives," the Prime Minister said.

From now on, Yi went on, Cabinet members will have to exert more efforts than ever before "to serve the people and devote ourselves to fulfilling their needs. [no closing quotation marks as published]

Yi said he has changed his way of administration, making on-the-spot inspection instead of relying on rewritten or telephone reports.

"During my visits to the Songsu Bridge and other bridges crossing the Han River, I came to have a fresh sense of mission," Premier Yi said.

He instructed all Cabinet members "to make field trips to the sites liable to accidents, pay attention to what related people say and find solution to the problems from what you hear."

Admitting there can be conflicts of interest among each ministry, he urged Cabinet ministers to have sufficient dialogue so that prompt and corrective action can be taken on time.

### Opposition Proposes Summit With President Kim

SK2910024594 Seoul YONHAP in English 0224 GMT  
29 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Main opposition Democratic Party (DP) Chairman Yi Ki-taek Saturday proposed a summit meeting with President Kim Yong-sam to find a solution to the current political instability.

Rep. Yi said at a news conference that he is willing to meet with the president any time to convey the true voice of the people and help overcome the national crisis.

Yi's news conference came a day after the National Assembly voted down an opposition party motion calling for the wholesale resignation of the cabinet.

He insisted that the series of recent crises arose from the incumbent government's inability to manage state affairs, saying that to overcome the situation the government should carry out "national politics" along with the opposition and the people.

He cited as major crises the tax revenue embezzlement by officials at Incheon city's Puk-ku (North ward) office, suspect public security, the collapse of Seoul's Songsu Bridge and the fire on a sightseeing boat on Chungju lake.

The president himself should first signal his determination to overcome the national crisis, Yi stressed.

He then called for the immediate arrest of former Seoul city Mayor Yi Won-chong and the Songsu Bridge builder, holding them accountable for the structure's collapse, the immediate dismissal of incumbent Seoul city Mayor U Myong-kyu and a massive cabinet reshuffle.

The DP leader proposed the formation of an emergency national maintenance measures committee, comprising the ruling and opposition parties as well as experts from all social fields, placed under the direct supervision of the chief executive to check public security, transportation, the environment and major state facilities.

Yi noted that the country faces a crisis similar to a state of anarchy as the people are afraid to venture out at night and cross Han River bridges for fear of accidents.

"This entire situation resulted from the incumbent government's failure to liquidate the evils of the military regimes that ruled the country for 30 years," he argued.

With regard to the prosecution's decision on the Dec. 12 "coup d'etat-like" military incident in 1979, he charged it with failing to overcome its limit of "political prosecution."

### Government, DLP Study Proposal

SK2910090494 Seoul YONHAP in English 0824 GMT  
29 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—The government and the ruling Democratic Liberal



Party (DLP) decided Saturday to review the opposition Democratic Party's proposal for a government-opposition summit with time, agreeing the proposed summit is not desirable at this point of time.

President Kim Yong-sam, when informed of the opposition offer while meeting with DLP Chairman Kim Chong-pil at his Chongwadae [presidential] office in the morning, said he welcomes a meeting with the opposition leader to discuss state affairs.

But Chairman Kim suggested that he meet the opposition leader after a time because the DLP does consider it appropriate for the president to meet the opposition leader now, and President Kim agreed, DLP spokesman Pak Pom-chin said.

Asked if it meant the virtual rejection of the summit proposal, Pak replied, "I think the opposition party must have felt awkward in making such a proposal after they had the parliament vote on their cabinet dismissal motion. We will study the proposal while watching the development of government-opposition relations."

But the government is known to be studying a plan for President Kim to meet the opposition leader in a briefing on his summit diplomacy for parliamentary leaders before his departure for Indonesia to attend a summit of Asia-Pacific Economic Cooperation nations opening there next month.

#### Presidential Official Reacts

SK3010055894 Seoul THE KOREA TIMES in English  
30 Oct 94 p 2

[From Press Pocket: "Negative Reaction"]

[FBIS Transcribed Text] The presidential office yesterday showed a negative reaction to opposition leader Yi Ki-taek's "ambiguous" proposal for talks with President Kim Yong-sam.

A ranking Chongwadae [presidential offices] official said in displeasure, "The opposition Democratic Party [DP] has already done what it can for its political offensive. I do not know for what purpose its leader wants to meet the President."

He was referring to the DP's offensive at the National Assembly highlighted by its no-confidence vote for the en-masse resignation of all Cabinet ministers which was voted down by the ruling Democratic Liberal Party Friday.

DP president Yi Ki-taek said that he was willing to convey public criticism to President Kim if Kim wants to meet him, arguing that the Chief Executive has turned deaf ear to the critical voices.

Asked if President Kim will meet opposition leader Kim ahead of his departure for an overseas tour in the middle of next month, the Chongwadae staffer spurned the idea.

**Prosecution: 12 Dec Incident 'Military Rebellion'**  
SK2910054194 Seoul YONHAP in English 0422 GMT  
29 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—The prosecution, probing those sued in connection with the Dec. 12, 1979, incident, said Saturday it was clearly a case of premeditated "military rebellion."

Announcing the outcome of its investigation, the Seoul prosecution said the incident was led by Maj. Gen. Chon Tu-hwan, then-commander of the Defense Security Command and joint investigation headquarters, with the aim of removing Army Chief of Staff and Martial Law Commander Gen. Chong Sung-hwa and thereby gaining influence over the military.

It said Chon Tu-hwan hatched the plot due to a feud with Gen. Chong, especially after it was rumored that the Army chief was planning to reassign Chon to a less important post because of Chon's "abuse of power."

The prosecution said, however, that it had decided to suspend indictment of 34 of the 38 people sued who either conspired in the incident or actively took part. They include Chon Tu-hwan and No Tae-u, both former presidents.

The case against the remaining four was dropped because the statute of limitations had expired as they participated "passively." Among them is Rep. Chong Ho-yong, then-commander of the 50th division.

The prosecution said the incident occurred when the political situation was stabilizing with a majority of the people, trusting in the Choe Kyu-ha administration, expecting big things from the "democratization" then underway.

The report said that in a bid to keep the Army chief from moving him to a less important post and to secure military hegemony, Chon Tu-hwan initially discussed the issue of arresting the Army chief with Yu Hak-song, assistant defense minister for logistics; First Corps Commander Hwang Yong-si, Capital Corps Commander Cha Kyu-hon and 9th Division Commander No Tae-u in mid-November 1979.

On Dec. 7, Chon met No Tae-u and decided to make Dec. 12 "D-day."

Under the decision, the prosecution said, Chon ordered his defense security command staff—Yi Hak-bong, Ho Sam-su and U Kyong-yun—in early December to map out an action plan to arrest the Army chief of staff.

At the same time, Chon Tu-hwan prepared plans to keep the commanders of those units under the direct control of the Army headquarters away from their units at the time of action so that they could not interfere immediately, and also to mobilize troops, if necessary, to bring the situation under control.



Chon then saw to it that his supporter-commanders in the capital area met in the room of the commander of the 30th security group of the capital garrison command at the crucial hour of 16:30 PM Dec. 12 to oversee the move's execution.

They included 9th Division Commander No Tae-u, Assistant Defense Minister Yu, First Corps Commander Cha, 20th Division Commander Pak Chun-pyong, 71st Division Commander Paek Un-taek, First Airborne Brigade Commander Pak Hi-do, Third Airborne Brigade Commander Choe Sae-chang, First Airborne Brigade Commander Chang Ki-o, 30th Security Group Commander Chang Se-tong and 33rd Security Group Commander Kim Chin-yong.

Around the same time, acting on Chon Tu-hwan's instructions, Ho Hwa-pyong of the Defense Security Command and Cho Hong, commander of the capital garrison command military police unit, lured key commanders regarded as loyal to the Army chief away from their units to a dinner party at Yonhi-tong in western Seoul.

Those invited to the dinner were Chong Pyong-chu, commander of the Special Forces Command; Chang Tae-wan, commander of the capital garrison command; and Kim Chin-ki, Army provost marshal.

The prosecution said that Chon Tu-hwan and his men thus drew up and carried out a plan to arrest the Army chief without advance approval by the president at a time when the trial of those involved in the assassination of President Pak Chong-hui was in its final phase.

In preparing the arrest plan, Brig. Gen. Nam Ung-chong, chief investigator of the joint investigation headquarters, was eliminated and instead those whose duties were not related to any investigation were employed.

In the course of arresting Army Chief of Staff Gen. Chong, Chon Tu-hwan's men opened fire at and overwhelmed the Army chief's aides trying to confirm whether they had the president's approval.

They then forcibly carried away the Army chief at the tip of an M-16 rifle.

Also in their attempt to obtain President Choe's permission for the arrest of the Army chief, a number of field commanders who were not in a position to ask for the president's approval, thronged to Choe's office to press for the okay when the president delayed his approval demanding the presence of the defense minister.

Chon Tu-hwan and his men mobilized airborne troops and had them occupy the Defense Ministry and arrest the defense minister, the report said.

In addition, they brought in almost 5,000 troops, including a forward area tank unit, which occupied the central government building, Army headquarters, the capital garrison command and the special warfare command.

The report went on to say that in the predawn hours of Dec. 13, even before President Choe gave his okay to the arrest of the Army chief, Chon Tu-hwan offered acting Central Intelligence Agency Director Yi Hui-song the duties of Army Chief of Staff.

Afterwards, Chon forced new Army Chief Yi to give influential Army posts to a number of his men who had helped him succeed in the arrest of Army Chief of Staff Chong, the report said.

The prosecution applied to Chon Tu-hwan the charges of rebellion mastermind, desertion of a martial law area by a commander, killing and attempted killing of superior officers and killing of guardsmen.

Regarding its decision to suspend indictment, the prosecution said it would be proper to indict them only for causing a setback to the nation's constitutional history.

If they were prosecuted, it would just lead to heated debate about the past, creating a deep split in public opinion and wasting national energy, the prosecution said.

#### **Chon Rejects Prosecution Decision**

SK2910040194 Seoul YONHAP in English 0304 GMT  
29 Oct 94

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Former President Chon Tu-hwan and his associates, rejecting the prosecution's admission that they staged a rebellion under the Military Criminal Code as charged in a suit filed against them over the Dec. 12, 1979, "coup d'etat-like" incident, said Saturday they would take appropriate legal steps.

In contrast, ex-President No Tae-u and his lieutenants made it clear they would not take legal action against the prosecution decision, saying: "The Dec. 12 incident must be evaluated not by a legal yardstick but by history as the people, by electing candidate No Tae-u president in a popular election, had already given a political judgement on it."

Citing the taking for questioning of then-Army chief of staff and martial law commander Chong Sung-hwa, Chon and his associates repeated their original stand, saying, "It was a proper fulfillment of official duties that Chong, implicated in the Oct. 16 insurrection plot case, was taken for questioning." They made this assertion in a written "opinion of the lawyers' group on the prosecution disposition regarding the Dec. 12 situation."

The lawyers' group said due legal action would be sought after consultations with the accused, but declined to go into detail.

Under the present legal system, the only way the accused can take legal action against the prosecution decision is to lodge a petition of innocence directly with the Constitutional Court without going through the process of



appeal and re-appeal. It is uncertain whether they will choose this course of action.

Chon's side asserted in the written opinion of the lawyers' group: "A final verdict was given on Chong Sung-hwa's charges of abetting the Oct. 26 insurrection in March 1980. Nevertheless the prosecution, reversing the final verdict unilaterally, concluded as if the taking of Chong for questioning was illegal. This ignoring of an established judicial judgement on the part of the prosecution goes beyond its authority and leaves room for violating the Constitution."

Chon's side also maintained: "As for the taking of Chong for investigation, the combined investigation headquarters had followed all necessary procedures by reporting it to then-President Choe Kyu-ha in advance and obtaining his approval afterward."

#### **Former Army Officers on Decision**

*SK2910055594 Seoul YONHAP in English 0432 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—Chong Sung-hwa, former Army chief of staff and martial law commander, said Saturday he plans to file a complaint next week against the prosecution's decision not to indict former Presidents Chon Tu-hwan and No Tae-u and others involved in the Dec. 12 incident.

Chong said, "I cannot understand why the prosecution did not indict former Presidents Chon and No and 36 others in spite of its decision that their act was tantamount to rebellion. They are felons who infringed upon the national Constitution."

Earlier in the day, the prosecution announced that the acts committed by Chon Tu-hwan and No Tae-u and 32 others who played an active part in the Dec. 12 incident in 1979, were tantamount to "rebellion" under the military criminal code.

The prosecution said, however, that it would not indict them in consideration of their contributions to the country.

The Dec. 12 incident refers to the case in which Army Maj. Gen. Chon Tu-hwan, with the help of his colleagues, arrested Army chief of staff and Martial Law Commander Gen. Chong Sung-hwa amid confusion following the assassination of President Pak Chong-hui and emerged as the country's de facto strongman.

Chong said, "I will consult the other accusers and lodge a complaint against the decision next week."

"Since it was confirmed that the former presidents and their followers illegally rose up in rebellion to seize the leadership of the military, we will see to it that Chon and the others accused are found guilty in court."

Meanwhile, Chang Tae-wan, former capital garrison commander who resisted Chon and his followers during

the Dec. 12 incident, said: "It is improper that the prosecution did not indict those who were involved in the Dec. 12 incident, despite its conclusion that the incident was a clear rebellion."

#### **Prosecution Clears Officer Death**

*SK2910061994 Seoul YONHAP in English 0539 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—The prosecution ruled Saturday that one of the questionable deaths in the Dec. 12, 1979 incident was caused by mistaken shooting.

Col. U Kyong-yun was gunned down by his own side, the Defense Security Command, while trying to occupy the home of then-Martial Law Commander Gen. Chong Sung-hwa, the prosecution said.

U was among those who conspired with general-turned-President Chon Tu-hwan to depose Martial Law Commander Chong. U raided the commander's house on Dec. 12, 1979 with other Chon supporters and the general ultimately seized the presidency after the incident.

Chon's side claimed the residential guards opened fire first and that U was killed by their bullets. It insists there would have been no armed clash if not for the guards firing first.

The commander's side vehemently denied this claim, saying the residential guards were completely disarmed and thus could not have fired the fatal shots.

The prosecution said the only residential guard who was armed had already been downed by a hit to the spine. The other guards were forced to lie on the floor by Chon's men from the joint investigation headquarters, who were pointing M-16 rifles at their backs.

Investigators said two guards were with the commander in the living room, resisting Chon's men as they tried to haul Chong away. They rushed outside when they heard gunshots, with U giving chase and firing his gun at them from the corridor when he was shot by men from the Defense Security Command who mistook him for someone from the other side.

"We thoroughly investigated the movements of the commander's people," the prosecution said. "None of them were in a position where they could shoot U."

#### **DLP on UR Ratification During Assembly Session**

*SK2910091094 Seoul YONHAP in English 0835 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—The ruling Democratic Liberal Party (DLP) will get the Uruguay Round [UR] agreement through the National Assembly during its current session lasting until early December.



Majority floor leader Yi Han-tong told the press at weekend that when the circumstances in and outside the country are considered ripe, his party would negotiate with the opposition party for parliamentary ratification of the Uruguay Round pact, adding, however, "I cannot say exactly when the negotiations will start."

Asked if the ratification timing would be linked to the same actions of the United States, Japan and other advanced countries, he said the parliament would not act on the matter in consideration of other countries, adding, however, "We should refer to movements of the advanced countries which played the leading role in the negotiations."

He thus suggested that the parliament may ratify the pact even before the United States and Japan do.

Regarding the minority party's call for a separate parliamentary session to deal with the matter, Yi said he hadn't given a bit of consideration to such demand. "We'll deal with the matter during the parliament's current session, while observing the international movements related to the accord," he said, adding that the public understanding of the pact is increasing.

#### Trade Deficit Increasing at 'Rapid Pace'

SK0111075894 Seoul YONHAP in English 0745 GMT 1 Nov 94

[FBIS Transcribed Text] Seoul, Nov. 1 (YONHAP)—South Korea's trade deficit is increasing at a rapid pace since exports are running while imports fly full speed ahead.

According to a trade trend report released by the Trade, Industry and Energy Ministry on Tuesday the country's October exports amounted to 8.88 billion U.S. dollars, up 18.8 percent from a year earlier, and its imports to 9.09 billion dollars, up 29.8 percent, resulting in a deficit of 213 million dollars on a customs-clearance basis.

Accordingly, outbound shipments for the first 10 months of this year tallied at 76.28 billion dollars and imports at 82.1 billion dollars, marking accumulated red ink of 5.84 billion dollars.

Notable was that exports and imports in October both set monthly records.

The January-October trade deficit constituted a rise of 3.5 billion dollars over the same period last year.

Reversing the general trend in which the trade balance usually turns to a surplus in the fourth quarter, October showed a deficit. Above all, October import licenses amounted to 7.26 billion dollars, up 58.8 percent from a year ago. Annual imports are thus projected to reach 99.5 billion dollars.

Meanwhile, exports for 1994 are forecast to wind up at 93.7 billion to 93.8 billion dollars.

Explaining the deficit, the ministry cited the explosive importation of capital goods and raw materials due to activated facility investment, even though semiconductor, petrochemical and textile exports are showing healthy growth.

By region, exports to both advanced and developing countries increased around 20 percent.

By industry, automobile exports in October grew 25 percent and semiconductor shipments amounted to over 1.1 billion dollars, continuing the trend of monthly increases of 90 percent since June.

Exports of semiconductors are expected to far exceed the originally projected 10 billion to 12.5 billion dollars by year's end. Shipments of textiles are set to reach 8.7 billion dollars, placing the sector second highest in exports as a separate item.

#### Ministry on Manufacturers' Losses in Exports

SK3010062894 Seoul THE KOREA TIMES in English 30 Oct 94 p 8

[FBIS Transcribed Text] Korean manufacturers lost an estimated \$3.5 billion in exports last year because of overseas sales under originally equipped manufacturing (OEM) [original equipment manufacturer] brands instead of their own brands.

Domestic products were also found to sell 20-30 percent cheaper than similar foreign products on international markets due to Korea's poor image and passive marketing activity of manufacturers.

This was revealed by the Trade, Industry and Energy Ministry in a public hearing on the ways of expanding the independent marketing footing overseas at the Korea Institute for Industrial Economics and Trade (KIET) Friday.

The ministry checked the overseas marketing activities of Korean manufacturers and discussed with manufacturing circles ways to promote direct marketing activities.

A ranking ministry official said that the ministry will encourage makers to share promising domestic brand names to expand exports of Korean products.

He said the ministry will install a support center for joint use of promising brands at the Korea Foreign Trade Association (KFTA) to develop designs and to support overseas marketing.

The government will set up a monitoring system next year to check forgery of Korean brands by foreigners overseas through branch offices of the state-run Korea Trade Promotion Corp. (Kotra) throughout the world as fraudulent use of Korean brands has rapidly increased.

According to a ministry survey of the export prices of domestic products, the VTR 8501 video tape recorder of



Samsung Electronics sold for \$305 a unit in the United States in 1992, \$103 cheaper than the average VTR price.

But a similar JVC product from Japan sold at \$550 a unit, \$129 more than the average export price.

Goldstar Co. sold its CBT-2162M color TV model at 1,098 marks in Germany, 171 marks cheaper than the average price, but Sony of Japan sold a similar product at 1,698 marks, 169 mark more than the average.

Exports under Korean brands have increased to 51.7 percent of total exports this year, up from 45 percent in 1991, but this is still low, the ministry said.

In particular, the footwear industry exported only 6.2 percent of its total overseas shipments under its own brands. The textile industry followed with a low 8.6 percent. This means that Korea's image has been little promoted on international markets in the exports of footwear and textile goods, the ministry said.

#### **Deficit in International Balance of Payment Noted**

*SK2910021694 Seoul YONHAP in English 0132 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—South Korea's international balance of payments dipped 580 million U.S. dollars into the red in September, the Bank of Korea announced Saturday.

The shortfall in September took the current account deficit for the first nine months of this year to 4.4 billion dollars, about six times the 730-million-dollar deficit posted in the same period last year.

The bank attributed the higher deficit mainly to an increase in imports of capital and consumer goods.

The trade deficit decreased to 250 million dollars last month from 820 million dollars the previous month, while unrequited transfers showed a surplus of about 80 million dollars.

However, the invisible trade deficit soared to 420 million dollars in September, up from 128.7 million dollars in August.

The invisible trade deficit reached 1,998.4 million dollars in the first nine months, up from 1,310 million dollars in the same months of last year.

Of the invisible trade, the travel balance including expenditures for study and training abroad claimed the lion's share, amounting to 1,046.4 million dollars in the January-September period.

According to a tentative tally by the Bank of Korea, exports came to 8,030 million dollars and imports to 8,277.9 million dollars in September, up 11.1 percent and 24.8 percent, respectively, from the same month in 1993.

Exports in the January-September period were 66,242.7 million dollars and imports amounted to 69,015.7 million dollars—a trade deficit of 2,773 million dollars.

Consumer goods led the import boom.

About 450 million dollars worth of clothes were imported between January and September, up 86.9 percent from the same period last year, while cosmetics imports rose by 45.2 percent to 110 million dollars in the cited period.

#### **Foreigners' Stock Investment Ceiling Expanded**

*SK2810125194 Seoul YONHAP in English 1033 GMT 28 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 28 (YONHAP)—The Securities Supervisory Board on Friday revised regulations on securities transactions to expand foreigners' stock investment ceiling from the present 10 percent to 12 effective Dec. 1.

The amendment also expands the scope of those foreign investment firms whose shares can be obtained by foreigners from those firms whose direct investment ratio represents less than 25 percent of the total shares issued to those less than 50 percent.

The investment ceiling is to be removed altogether for those foreigners who have been living in Korea for more than two years or those who engage in businesses or work at business offices for more than a year.

The branches of foreign banking institutions and other foreign corporates which have been in business in Korea for more than two years and those foreign corporates which maintain representative's offices in Korea for more than one year will also be handled same as the domestic people.

The expanded stock investment ceiling goes into force on Dec. 1 this year and the remainder on Jan. 1 next year.

#### **Korean Stock Exchange: Gain in Share Prices**

*SK2910064194 Seoul YONHAP in English 0553 GMT 29 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 29 (YONHAP)—This week saw share prices fluctuate, ending in a slight increase at the Korean Stock Exchange.

The leading composite stock price index gained 9.36 points in the week from 1,088.90 last Saturday to 1,098.26.

Early in the week, prices plunged amid waves of selling by players wary of the sharp rise in the recent past. The decline was due also to the month-end need for a large amount of funds.

Prices rebounded at the end of the week after some ups and downs owing to heavy buying by players reacting to the preceding days' drop.



Issues of machinery, construction, steel, mining, chemicals, food and textiles were among the week's gainers.

Other factors affecting prices this week included continuing brisk business, the expected announcement of a plan to ease conditions for economic cooperation with North Korea, the suspended operation of a major petrochemical plant in the United States and the spread of some unfavorable rumors.

Volume reached 274.13 million shares in the week or 45.68 million a day. Last week the figures were 304.98 and 50.22 million shares, respectively.

Players' deposits increased 95.7 billion won in the week ending Thursday from 3,482.9 billion won the previous Thursday to 3,578.6 billion won.

A market analyst said positive signs for the Korean bourse in the immediate future include the likely full-fledged promotion of economic cooperation with North Korea at some point and the continuing stability of market funds.

Unfavorable factors would be a sluggish performance by Posco and KEPCO [Korea Electric Power Corp.] issues (just listed on the New York bourse), probable heavy selling by institutional investors and the expected outflow of bourse funds due to the partial sale of Korea Telecom issues, the analyst said.

#### **Uranium Discovered in Restricted Forward Area**

*SK2810124894 Seoul YONHAP in English 1124 GMT 28 Oct 94*

[FBIS Transcribed Text] Seoul, Oct. 28 (YONHAP)—Uranium deposits have been discovered in the restricted forward area north of Hwachon, Kangwon Province, and are being prospected preliminarily, the Defense Ministry reported on Friday.

A ministry official said the deposits were found during a military training exercise in the area of an Army division early this month.

Full-fledged prospecting would begin next spring because of the forthcoming winter season, he said.

Initial tests have showed the deposits are quite large and their purity is high, the official added.

#### **KFTU Seeks Unconditional Merger With Chonnodae**

*SK2910003994 Seoul THE KOREA TIMES in English 29 Oct 94 p 3*

[FBIS Transcribed Text] The Korean Federation of Trade Union (KFTU), the nation's largest labor organization, has decided to propose an "unconditional merger" to a dissident labor group, Chonnodae, or the Korean Council of Trade Unions (KCTU).

The conservative labor organization also decided to adopt the cause of "political struggle," in the preamble of its organization rules.

Such drastic KFTU measures came in a meeting of its 25 leading members, including the leaders of 20 industrial unions, held to map out its future paths at its building in Yoido Wednesday.

KFTU leaders resolved to make the unconditional merger proposition for a "grand solidarity of the nation's labor circles" ahead of the creation of another labor organization, alternative to KFTU, early next year on the initiative of Chonnodae, a spokesman said.

The conservative labor group lost many of its member unions to the progressive Chonnodae since 1992.

#### **Semiconductor Makers Reportedly Make Big Strides**

*SK3010062494 Seoul THE KOREA TIMES in English 30 Oct 94 p 8*

[FBIS Transcribed Text] Semiconductor makers have been making big strides in sales and their combined turnover during the first nine months of the year tops that for the whole of last year.

According to industry circles yesterday, the nation's three semiconductor makers—Samsung Electronics, Goldstar Electron and Hyundai Electronics Ind.—are witnessing their sales soar markedly thanks to brisk exports of semiconductors.

Samsung Electronics, which sold some 3.2 billion dollars worth of semiconductors last year, saw its sales surge by 59 percent to 3.5 billion dollars during the January-September period.

Industry watchers say the company has revised upward its sales target for semiconductors for this year from the initially projected four billion dollars to 4.9 billion dollars in view of the continuing rise in semiconductor shipments.

Goldstar Electron sold 1.25 billion dollars worth of products during the 9-month period, up 49 percent from the corresponding period of 1993. The company posted a turnover of 1.08 billion dollars in 1993 and expects to see sales of 1.6 billion dollars for the whole of this year.

Hyundai Electronics Inc., the electronic arm of the Hyundai Group, witnessed its sales of semiconductors during the January-September period of 1994 double to 1.1 billion dollars over the year before. The company's turnover for the whole of last year was 800 million dollars.

Hyundai Electronics has set its sales goal for 1994 at 1.6 billion dollars. "Goldstar and Hyundai are expected to wage a fierce battle to grab the second place in semiconductor sales," an industry watchers said.



In the meantime, the combined turnover of domestic shipbuilders for 1994 will amount to 4.19 billion dollars (3.35 trillion won), up 18.9 percent, for construction of 102 vessels of 4.73 million gross tons.

Domestic shipbuilders saw a 13.9 percent fall in turnover at 3.4 billion dollars last year following years of brisk growth.

The sharp gains in shipbuilders' sales were attributed to orders of 9.5 million gross tons last year, an unprecedented large amount, as well as to factory automation and high productivity growth.

As of September this year, the backlog of domestic shipbuilders is estimated to be 231 vessels of 11.5 million gross tons, enough to keep domestic builders in operation for two years.

### **'Fierce Competition' Reported**

SK2810020294 Seoul THE KOREA HERALD in English 28 Oct 94 p 8

[FBIS Transcribed Text] Seoul (AFP)—South Korean semiconductor manufacturers have plunged into fierce competition, injecting enormous chunks of money to build facilities to produce next-generation chips, industry analysts here said Tuesday.

South Korea's Goldstar Electron Co. has earmarked \$3.75 billion for the construction of the third chip domestic factory to produce dynamic random access memory (DRAM) chips, a Goldstar spokesman said.

"We began earlier this month to build the factory, which will have the capacity to produce 50,000 chips a month when it is completed at the end of 1995," the spokesman said of the new plant in the central city of Chungju.

Goldstar Electron, a flagship of the Lucky-Goldstar Group, is the country's third-largest chip producer with a total production capacity estimated at 20,000 eight-inch wafers a month.

Groundbreaking of the third factory was low key and without public notice, designed to keep other domestic and foreign competitors in the dark.

"Our production and other plans will be hinged on the current market situation," he said.

The company opened its second chip assembly-line for 16 megabit DRAM chips earlier this year.

Addressing the issue of a worldwide supply glut, anticipated in mid-1995 if the current investment trend continues, An Hong-sun, a spokesman for South Korean rival Samsung Electronics Co. said: "Worries about over investment are growing."

"What is worse is that Taiwan is ready to get into the semiconductor industry," An added.

Taiwan which embarked on a massive government-led semiconductor project in September, was already capable of producing 16 megabit DRAM chips, heating up the competition with Japanese and American rivals which have begun to invest massively into 16 DRAM chips plants.

Japanese and U.S. chip powerhouses appear determined not to allow their Korean rivals to steal a march on the 16 megabit DRAM market, followed by the 4-megabit market in which Korean firms are reaping big profit margins.

"Samsung also plans to enlarge investment for semiconductor production next year by injecting additional \$375 million," said An, adding that Samsung, the nation's biggest chip maker, has so far poured up to \$1.5 billion into the semiconductor business.

Samsung Electronics Co. is currently capable of processing 25,000 8-inch wafers a month, and by the year's end its production capacity would be raised to 45,000 wafers a month, while No. 2 Hyundai Electronics Co. can produce 20,000 wafers a month with its existing lines.



## Burma

### Khin Nyunt on 2d Meeting With Aung San Suu Kyi

*BK0111041694 Rangoon TV Myanmar Network in  
Burmese 1330 GMT 31 Oct 94*

[FBIS Translated Excerpt] The Special Refresher Course No. 12 for basic education teachers was held in the Training Hall of the Central Institute of Public Service at 0900 today in Hlegu. [passage omitted] Lieutenant General Khin Nyunt, chairman of the Myanmar [Burma] Education Committee and secretary-1 of the State Law and Order Restoration Council [SLORC] delivered the opening speech at the ceremony. [passage omitted on importance of teacher's role in nurturing youths and youth participation in Union Solidarity and Development Association]

Lt. Gen. Khin Nyunt said the State Law and Order Restoration Council is striving to implement political, economic, administrative, and social reforms with momentum to make Myanmar rise as a confident, modern and developed nation in the community of nations. On the political front, priority is being given to make all people participate, as a national duty, in the reconstruction of national reconciliation—a major requisite for ensuring peace and the perpetuation of the Union—with Union spirit. [passage omitted: reference to efforts to end insurgency by past governments]

Since its assumption of state responsibility, the SLORC has prescribed to the motto: the strength of the nation lies within the nation, and has upheld the three cardinal causes [nondisintegration of the Union, nondisintegration of national unity, and perpetuation of national sovereignty] and has been striving for national reconciliation. We believe that the Union can last only if we can erase mistrust and division among the fraternal national people caused by external influences and instigations and build up mutual friendship, respect, and trust, and reinforce the conviction that the strength of the nation lies within the nation. Accordingly, with genuine goodwill we invited the armed groups in the jungle to return to the legal fold. The responsible authorities went to the Kachin State, Kayah State, Karen State, and Mon State themselves and explained and extended the invitation. So far, 13 armed organizations from the jungles, who had come to realize the genuine goodwill of the SLORC, have returned to the legal fold to work hand in hand with the government in development endeavors and the promotion of national solidarity. [passage omitted on national convention and border region development]

While efforts are being made to meet the economic and social needs of the people living in the border region by establishing vocational work, efforts are being made to eradicate cultivation, production, and trafficking of narcotics in the border areas in the form of a national campaign. Presently, narcotics control work is being carried out in cooperation with the United Nations agencies, international drug agencies, and neighboring countries.

Various means are being employed to eradicate the cultivation, production, and trafficking of narcotics.

The Defense Services and the people jointly fought the Loimaw opium smuggling group, which is trafficking in drugs in the eastern border region. During the four-week military campaign, 190 invaluable lives of the Defense Services members were sacrificed for the country and over 350 members of the Defense Services were wounded. This is the clearest evidence of Myanmar's efforts in fighting drugs in the form of a national campaign. Despite this loss of lives, some groups which do not consider the interests of Myanmar are spreading fabricated news as if Myanmar is encouraging the production and trafficking of drugs.

Similarly, the people's participation in regional development is being portrayed and denigrated as forced labor [two preceding words given in English]. Also, there are people who are not familiar with Myanmar culture claiming that human rights are being violated. Myanmar is a country that observes the provisions contained in the United Nations Charter and its declaration on human rights. However, historical and cultural differences of the countries should be recognized. Allegations are being made without any consideration being given to unique customs, characteristics and traditions, and the culture and customs of a country. Such allegations do not reflect the behavior of civilized people. [passage omitted on tradition of contributing labor in Burmese culture] Although Myanmar observes the basic standards of human rights that accord with the customs and traditions of its people, it will in no way accept standards that are contrary to national traits and characteristics, and false allegations and standards of external organizations that have no business doing so. [passage omitted]

There is political stability in the country at present and strengthening national unity. The state's economic endeavors are beginning to bear fruits and positive results are being achieved. [passage omitted] On 28 October, as assigned by the SLORC, the second round of talks was held with Daw Aung San Suu Kyi. We held cordial and frank talks with mutual understanding on the country's political and economic conditions in the long-term interests of the country, the endeavors of the SLORC, and tasks that should be carried out for the future.

There have been positive as well as negative comments on this matter from both inside and outside the country. The meeting took place not because of persuasion or pressure from someone. The meeting took place out of mutual understanding for each other. The SLORC has already laid down its political and economic strategy and will march toward its set goal. Our goal will not be altered and the momentum of our efforts will not be reduced by somebody's persuasion or pressure. In considering the long-term interests of the country and to reach our goal successfully, we shall obtain sound suggestions and select and implement the most correct and best methods. [passage omitted]



**Brunei, Malaysia & Singapore****Malaysia****Defense Minister, SRV Counterpart Holds Talks**

*BK0111081594 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Nov 94*

[FBIS Transcribed Text] Malaysia and Vietnam have agreed to step up defense relations by identifying three potential areas. These are exchange of visits, training, and cooperation in the defense industry. This was stated by the minister of defense, Datuk Sri Najib Tun Razak, after talks with his Vietnamese counterpart, General Doan Khue, in Kuala Lumpur today. Gen. Khue is leading a seven-member delegation on a visit to Malaysia. Datuk Sri Najib said cooperation in the three areas would build mutual confidence between the two sides. He added that the two sides discussed and exchanged ideas on security in the region.

**Prime Minister, Deputy Deny Rumors of Rift**

*BK3110153294 Kuala Lumpur Radio Malaysia Network in Malay 1300 GMT 31 Oct 94*

[FBIS Translated Text] Datuk Sri Anwar Ibrahim said that he has never had any problems with the prime minister, Datuk Sri Dr. Mahathir Mohamed. Anwar, who is the deputy prime minister, said that he regards Dr. Mahathir as a leader and father in the political struggle.

The deputy prime minister said this to newsmen at the Parliament building in Kuala Lumpur today in response to Dr. Mahathir's statement in Kuala Terengganu that there are no differences between the two of them. Dr. Mahathir has denied rumors that there is a rift in their relationship. Dr. Mahathir has also expressed regret over the spread of the rumors and added that there is no reason for him to quarrel with Datuk Sri Anwar. Anwar said that he agreed with the prime minister's explanation of the matter.

**Al-Arqam Disbanded in Line With Wishes of Leader**

*BK0111081494 Kuala Lumpur Voice of Malaysia in English 0600 GMT 1 Nov 94*

[FBIS Transcribed Text] The al-Arqam group banned by the government for deviant teachings and repudiated by repentant chief Ashaari Mohamed has been disbanded. The announcement was made by the group's former Melaka State leader, Mohamed Najib Zawawi, at a news conference in Kuala Lumpur. He was speaking on behalf of members of the movement's chief decisionmaking council. The news conference was attended by 10 former members of the council. They said the disbandment was in accordance with the wishes of Ashaari.

Meanwhile, former senior leaders of the banned al-Arqam group, Halim Abbas and Fakruk Radzi Salleh,

may return to Malaysia soon. Former amir [leader] of Pulau Pinang Arqam Hashim Jaafar said the two are believed to be in Thailand. He told the news conference that Halim contacted his brother Nazruzah Ashaari several times in the last few months.

**Commentary Hails 1995 Budget for Sustained Growth**

*BK2910110394 Kuala Lumpur Voice of Malaysia in English 0810 GMT 29 Oct 94*

[Station commentary]

[FBIS Transcribed Text] The 1995 budget unveiled by Deputy Prime Minister Datuk Sri Anwar Ibrahim has something for all. At the same time it has set the pace for Malaysia's quest to become an industrialized nation by the year 2020. This is clearly evident by its strategy to sustain growth while controlling inflation. The success of this strategy has proven its effectiveness beyond doubt, for Malaysia is now into its seventh year of consecutive growth. The growth of above 8.0 percent for seven straight years is difficult for any other country to match.

While there were a lot of goodies for Malaysians, foreign investors were not left out either. The reduction in corporate tax by two percentage points to 30 percent is in keeping with efforts to maintain the country's competitiveness. In one move, the government has given foreign companies yet another reason to consider as a country to invest in. No less important are its other attractions like political stability, and availability of skilled and unskilled labor.

As far as labor is concerned, the government recognizes it is facing a tight situation given the economy's rapid growth. That is why Malaysia has a liberal policy on the entry of foreign labor.

Foreign exchange control has been relaxed, which would further encourage not only domestic investment but foreign investment as well. It is also in line with the changes in the globalization of the banking and financial markets. It is obvious Malaysia is taking great steps to liberalize its financial services sector.

However, developed countries must realize this sector still needs time to grow and therefore should not exert undue pressure for it to open up. It has to be done gradually. Import duties on some 2,600 items have also been abolished or reduced. This is the biggest-ever cut in terms of products.

This is in line with Malaysia's commitment to the ASEAN Free Trade, AFTA, expected to be realized by the year 2003 [sentence as heard]. While Malaysia is doing its part to contribute to a single regional market it is vital that the other ASEAN countries join in to do their bit. The government is expected to lose about 3.0 billion ringgit in revenue owing to the tax cuts and abolition of import duties plus the bonus payment to civil servants. But this would be recovered via Malaysia's intensive



economic growth, and demonstrates the government's emphasis on productivity rather than mere taxes for its revenue.

The move to exempt tax on all incomes remitted by Malaysian companies investing overseas would encourage reverse investment. This would go a long way in aiding South-South cooperation as more local firms invest in developing countries.

The move to encourage foreign companies to set up their regional headquarters in Malaysia is a step in the right direction in the further internationalization of the economy. Despite the good news in the budget, the government is ever watchful of some worrisome signs. They include inflationary pressure, tight labor situation and rising wages, which could erode the nation's competitiveness.

But there is comfort in the hope the government would continue to adopt the right mix of policies that would further steer Malaysia into the path of economic dynamism into the next century.

### Singapore

#### 'Resurgent' PRC's Right to Nuclear Tests Defended

BK2910145094 Singapore *THE STRAITS TIMES* in English 28 Oct 94 p 34

[Editorial: "Testing Time for China"]

[FBIS Transcribed Text] China's nuclear tests might have provoked a less strong reaction if there had been better appreciation of the country's present capability and future responsibilities as a major global player. Obviously, the world would be a safer place if all risk of a nuclear Armageddon could be eliminated. That ideal will only be achieved, however, when the Geneva process results in a comprehensive test ban treaty. It is reassuring to note that China has indicated that it will stop its tests as soon as such a treaty has been signed or in 1996, whichever is earlier. Meanwhile, the commitment to promote an early convention "banning the production of fissile material for nuclear weapons or other nuclear explosive devices", as set out in the recent joint statement by China's Foreign Minister Qian Qichen and American Secretary of State Warren Christopher, should help to set misgivings at rest.

What bears stressing is that by virtue of its history, size, population and economic strength, present as well as potential China is destined to play a major role in the Asia-Pacific region, and, indeed, in world affairs. Its readiness to join the other nuclear powers in working for a test ban treaty and trying to control nuclear proliferation indicates a determination not to shirk the responsibilities of an active participant in multilateral security and economic arrangements. Superpower status has a military dimension too, and it would be unrealistic, as

well as futile, to expect China not to develop all the attributes that go with its position. It is in this context that the world must assess the argument that if China's modest deterrent force is to be at all credible in the next century, first generation weapons and delivery systems must be updated in terms of mobility, reliability and overall survivability.

What might be cause for concern is the response in countries that may, for whatever reason, choose to identify China with their own threat perceptions. Since there is no evidence whatsoever to sustain fears that seem more than a little far-fetched, targeting China for blame may turn out to be counter-productive: the Lop Nor tests by themselves have certainly not jeopardised regional stability or endangered the security of any other country. They must be viewed as a part of an overall modernisation programme. Nevertheless, if fears persist, it would be only politic to examine the causes and try, as far as possible, to remove them.

Better understanding with the US, Japan and the rest of East Asia would probably answer the question to a large extent. But it may not wish away all problems for the global high table itself does not always appear to be lucid about its own strategic aims. True, the US, Russia, Britain and France suspended nuclear tests with much fanfare in 1992. They have also cut back their defence spending. But the West's anomalous stand is reflected in the Clinton administration's refusal to commit itself to not being the first to use nuclear weapons in a conflict, and in its plans to develop a missile defence system. It might be argued, too that the only purpose that a nuclear freeze would serve at this juncture would be to perpetuate the superiority of the US and Russia which are each believed to have nuclear inventories that are 20 times as large as China's.

The entire question of relative capability has to be seen in the setting of China's position in a new world order. Given this destiny, China cannot afford to be at odds with the rest of the world: its own long-term interest calls for a major political and diplomatic effort to remove suspicion. The Asean Regional Forum may have a role to play in this respect; US Defence Secretary William Perry's suggestion of computer-simulated nuclear tests might provide a technological alternative. But there is no substitute for mutual trust which can only be engendered by transparent policies that make resurgent China more acceptable to the rest of the world.

#### Importance of Europe, Asia Conference Noted

BK0111052694 Singapore *THE STRAITS TIMES* in English 31 Oct 94 p 26

[Editorial: "Completing The Triangle"]

[FBIS Transcribed Text] The idea of an "informal summit" between East Asia and Europe, which Prime Minister Goh Chok Tong will broach to other ASEAN



leaders at next month's Asia-Pacific Economic Cooperation (APEC) conference, might help to iron out many of the difficulties that were discussed at the recent Europe-East Asia economic conference in Singapore. The programme of action that the conference adopted included the proposal for a "summit at the level of heads of government to discuss the issues affecting relations between the two regions." Presumably, the aim would be to remove economic impediments, bridge cultural differences, and promote political understanding. French Foreign Minister Alain Juppe's positive response is particularly encouraging since France will chair the European Union next year.

As it happens, these initiatives coincide with other important changes in the EU. Four more countries will join in January 1995; Mr. Jacques Delors, who presided over the EU for 10 years, will be replaced by Mr. Jacques Santer, prime minister of Luxembourg; and extensive changes in the European Commission, the EU's executive agency, will include a new director to handle liaison with Asia. The EU is reportedly thinking in terms of a summit in December 1995, suggesting that a serious effort might be made to evaluate and repair relations with Asia. A two-track exercise—on a country-to-country as well as an EU-ASEAN basis—would probably be most effective in creating a balanced relationship based on pragmatism and flexibility between two important geographical areas whose historical links are buttressed by extensive trade and which can contribute to each other's welfare.

It is a fact of evolution that East Asia's economic explosion is bound to increase its strategic importance. Europe could have made the most of the challenge of this shifting centre of gravity to change its own priorities and make itself more competitive. Instead, as former British Prime Minister Margaret Thatcher pointed out recently, Europe has disrupted the free flow of trade and pushed up prices with subsidies, quotas, anti-dumping measures, and other devices to shield itself from competition. Even the EU's level of representation at the recent conference in Singapore was of a piece with Europe's earlier indifference to East Asian invitations to provide capital and technology. Now, Europeans complain of substantial trade deficits with Japan and the ASEAN countries and of the Americans stealing a march on them. But it is still not too late to take advantage of what a draft paper at the conference called the "window of opportunity" for greater European interaction with East Asia.

Free trade also being a force for political cooperation, there is a real danger of today's bickering escalating into more abrasive arguments unless Europeans and East Asians are brought to a better appreciation of each other's vital concerns. This can be avoided if the summit initiates a permanent dialogue whose agenda spans business and culture so that scope for misunderstanding in either field is removed. Hence, the relevance of Prime Minister Goh's suggestion for setting up joint business councils and cross-cultural institutes.

A more detailed agenda will emerge as the summit proposal is examined, but environmental protection is an obvious field of cooperation: the EU's technical assistance might help to remove some of the complaints that are now voiced. Specifics matter less at this stage than the principle involved. But in considering both, ASEAN leaders might bear in mind a further fact: while there are many links between Europe and the United States and APEC connects the latter with East Asia, the third side of the tripolar economic configuration has so far been neglected. A mechanism for East Asia-Europe discussions would complete the triangle.

### Cambodia

#### Hun Sen Announces Hostages Dead; Blames Media

BK0111070894 Hong Kong AFP in English 0635 GMT  
1 Nov 94

[FBIS Transcribed Text] PHNOM PENH, Nov 1 (AFP)—Cambodian Co-Premier Hun Sen confirmed Tuesday that three foreign tourists abducted by Khmer Rouge guerrillas in July had been killed. In a message from Kampot, southern Cambodia, Hun Sen said the three—Australian David Wilson, 29, Briton Mark Slater, 28, and Frenchman Jean-Michel Braquet, 27—were murdered by the Khmer Rouge.

Hun Sen attacked the press for reporting on the hostage-taking and subsequent events, banned reporters from Phnum Voar (Vine Mountain), where the grave site was found, and asked journalists to leave Kampot immediately. He appealed to the international community "not to support the Khmer Rouge any more."

Hun Sen who flew by helicopter to Kampot Tuesday, spoke as consular teams from Australia, Britain and France went to the grave site to witness the recovery of remains. The three were abducted July 26 when guerrillas ambushed a train travelling from Phnom Penh to the southern city of Sihanoukville.

A 150,000-dollar ransom in gold was initially demanded but the Khmer Rouge leadership later switched to political demands, including one that Phnom Penh should lift its ban on the guerrilla group and that Western governments should refrain from supplying military aid to Cambodia.

The following is an unofficial translation of key excerpts from Hun Sen's statement:

"Today I report the death of the three hostages. The three are dead. They were killed by the Khmer Rouge. This means that the Khmer Rouge are not only the murderers of the Cambodian people but that they now kill foreigners, too. On behalf of the royal government, I would like to express my condolences to the fathers of the three, and I would like to condemn those who killed



them. ... I would like to appeal to the international community not to support the Khmer Rouge any more....

"It is the guilt of the press, too. They reported many things, and this is why the Khmer Rouge killed them. The press is not allowed to go to Phnum Voar any more. (Khmer Rouge commanders) Pet and Rin moved them everywhere, and in the end they killed them. To the press, I would like you to leave Kampot today. I am not as angry at the Khmer Rouge as I am with the journalists. When the three were abducted, you reported it in the news. When the government shelled the area, you also published it. Now inform the world about their deaths. I do not want any other foreigners killed like this."

The deaths of the three comes after Two Britons—Dominic Chappell and Tina Dominy and Australian model Kelly Wilkinson—were murdered after being abducted by Khmer Rouge guerrillas on the road between the capital and Sihanoukville on April 11.

#### **Government Bans Entry of Two French Journalists**

*BK3010131994 Hong Kong AFP in English 1251 GMT 30 Oct 94*

[FBIS Transcribed Text] Phnom Penh, Oct 30 (AFP)—Cambodia has banned two French journalists from entering the country following a critical article in the Paris daily LIBERATION, information ministry spokesman Sieng Lapresse said Sunday. It was the first known entry ban on foreign reporters, although Cambodia has been increasingly critical of the media in recent weeks.

Alain Lebas, Bangkok-based correspondent for the daily, and Romain Franklin were banned with immediate effect, Sieng Lapresse said. The two could not be reached for comment.

The October 19 article, titled "Paris in the Cambodian Trap," discussed French policy on Cambodia, foreign military assistance to Phnom Penh and corruption among Cambodian government troops. Phnom Penh said it was instructing its embassy in Paris to look into possible legal action. The government statement gave no further details.

#### **Thais Suspected of Coup Activity Blacklisted**

*BK3010120394 Bangkok THE SUNDAY NATION in English 30 Oct 94 p A1*

[FBIS Transcribed Text] Phnom Penh—The Cambodian government has blacklisted 34 Thais, including 20 it had earlier sought to interview for suspected involvement in July's abortive coup attempt, and forbidden them from reentering the country, a reliable source said yesterday. On Friday a military court here found 14 Thai nationals, who are included among the blacklisted 34, guilty of involvement in the coup attempt but handed down

suspended jail sentences. Five of the 14 had earlier been released from custody and the remaining nine men, detained since July 3, have since returned home.

The other 20 names on the blacklist are Thais whom Cambodian officials had earlier said they wished to interview. Phnom Penh later dropped a demand that the 20 surrender for questioning, saying that it was anxious to speed up investigations into the coup attempt, and then set a court hearing for Oct 27.

The Thais on the list include former New Aspiration Party MP Pol Col [Police Colonel] Adun Bunset; Kraiwut Siwutthiwong, reportedly an ex-employee of the Thai-owned International Broadcasting Corporation and Thanongsak Surattananun, executive president of Hightech Antenna Co, a firm which used to run a communications business in Cambodia.

An informed source said on Friday that one of three technicians from Thanongsak's company detained by the Cambodian authorities had confessed to the investigation team that he had been hired to jam telephone lines and cut electricity supplies in Phnom Penh at the time of the coup attempt.

It is unclear whether the 14 Thais given suspended sentences will be dropped from the blacklist. Officials have hinted that Cambodia's King Norodom Sihanouk may pardon the 14 to mark his 72nd birthday tomorrow.

The military court gave the nine Thais suspended jail sentences of between three to five years. The five Thais released earlier on bail were sentenced in absentia to suspended jail terms of two years each.

The only one of the alleged coup masterminds remaining in Cambodia, former interior ministry state secretary Sin Sen, was sentenced to 18 years in jail. His subordinate, former police department chief Tea Choy, received a three-year suspended sentence.

According to the court, the nine Thais were found guilty of carrying and transporting weapons, association for criminal purposes and involvement in the coup attempt.

Authorities confiscated telecommunications equipment and other tools from the group that could have been used to cut electricity and telephone lines.

Coup leaders Prince Norodom Chakkrapong and Gen Sin Song were each sentenced in absentia to 20 years' imprisonment.

The prince was sent into exile immediately after the coup attempt after an appeal from his father, King Norodom Sihanouk. Sin Song was arrested but later escaped from custody. He is still at large.

An informed source in Phnom Penh said yesterday that tension was running high in the Cambodian capital because of rumours that influential groups Loyal to Sin Sen might try to break him out of prison.



Reports indicate that Thais living in Phnom Penh have been affected by Friday's court ruling. Thais arriving at the capital's Pochentong Airport since the trial have been subjected to much stricter checks than usual, said the same source.

In a related development, spokesman for the House committee on foreign affairs, Sutham Saengprathum, said yesterday that he was concerned about the safety of Thai businessmen who have to travel to Cambodia.

Sutham said the Thai government will have to ensure maximum protection for innocent businessmen, adding that the Labour and Foreign ministries should cooperate in an education programme to instruct Thais wishing to invest in Cambodia on the basic social, political, economic and legal conditions in that country so that they can avoid problems.

### **Daily on Thai Cabinet Reshuffle, Terrorism**

*BK3110120294 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 30 Oct 94 pp 1, 19*

[From the "This Issue's Comment" column: "Please Understand Our Intention"]

[FBIS Translated Text] The recent Thai Cabinet reshuffle which resulted in the removal of Mr. Prasong Sunsiri from the foreign minister's portfolio and his replacement by Mr. Thaksin Chinnawat is making us wonder if Thai foreign policy toward Cambodia will change.

The Thai Royal Government and the Cambodian Royal Government have not had a very smooth relationship for over a year as the leaders of both countries have been using their propaganda machines to disparage one another. The fire from endless tirades was so concentrated on the Khmer Rouge issue that some journalists jokingly insinuated that the Khmer Rouge had done nothing but cause trouble to Thai-Cambodian relations!

Thai foreign policy at that time experienced dire difficulties because on one hand it came under pressure from certain Thai military officials who were accused of having timber and gem stone deals with the Khmer Rouge, and on the other hand from the United States, which was not happy with such a Thai policy on Cambodia. By and by, this problem gave birth to another sarcastic comment: The Khmer Rouge are surely a jinx because they have caused a regrettable spat between the United States and Thailand.

So, in the days to come how should Cambodia and Thailand cooperate with one another to solve this problem and improve their relations?

When this cabinet was reshuffled, Thai Prime Minister Chuan Likphai declared that the reshuffle was approved only after all the coalition party leaders had agreed to one of his conditions, which was: Thailand will not change its foreign policy—meaning that whatever was

done in the past will be continued. However, we still do not believe that the new foreign minister will continue to follow these conditions, for it was because of such a foreign policy that a few months earlier Mr. Prasong Sunsiri was questioned by the Thai National Assembly.

In reality, the Khmer Rouge movement has become a dead issue. It is not the same as the Khmer Serei [Free Khmer] movement of the 50's or the Khmer Rouge movement of the 60's and early 70's. The concept of using the current Khmer Rouge as a shield, a buffer zone against military violations by any neighboring countries, particularly Cambodia, which is trying painstakingly to rise from the flames of war, is most inappropriate.

Soon, the tragedy in Cambodia will be ended by the Cambodian people themselves and also by the kind intervention of neighboring countries. Cambodia's foreign policy is to enhance good relations with its neighbors. Any terrorist movements born in these countries can never be a partner in relations with Cambodia.

However, one of our firm beliefs at this time, a belief that will not bring us disappointment, is that very soon the Thai Royal Government will understand Cambodia's desire to root out all terrorist movements.

### **KR Radio Cites 'Secret Activities' of Sin Song**

*BK3110122794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 30 Oct 94*

[FBIS Translated Text] We have received a well-founded report that Sin Song has gone to Koh Kong and Trat Province to conduct anti-Democratic Kampuchea activities from the rear.

1. According to a well-informed source, Sin Song is now in Koh Kong and Trat in order to lead an attack against Democratic Kampuchea from the rear during this 17th dry season. Sin Song will launch activities from Koh Kong to Trat and vice versa via Khlong Yai, Trat, Khao Saming, and Bau Rai. He will operate under the secret Communist Party of Vietnam [CPV] committee in Khlong Yai in charge of Trat and Chanthaburi and link up with a U.S. network there. This means that the CPV committee, the communist Vietnamese puppet People's Party committee under Sin Song himself, and local U.S. agents will collaborate in conducting secret activities in Democratic Kampuchea's rear. The mission of Sin Song and his group is:

1. To organize various people and send them into Cambodian territory behind Democratic Kampuchea to collect every piece of intelligence on the whereabouts of leaders; troop concentrations; populated areas; and the organizational, political, economic, and social situations.
2. To link up with existing moles or plant new ones in Democratic Kampuchea.



3. To stir up all forms of political, psychological, pacification, and internecine warfare.

4. To promote all kinds of contraband.

5. To promote theft and robbery, thus creating a permanent state of insecurity.

6. To bring in people from both the front and the rear disguised as men, women, or traders ostensibly moving about in search of relatives.

7. To promote gambling, such as card or dice games, and other vices to pollute the political and organizational atmosphere.

8. Once all of the above goals have been gradually accomplished, they will send commandos or armed forces to conduct assaults or raids—through a combination of political, espionage, fifth-column, and military actions—in a bid to win control over Democratic Kampuchean zones in this region.

II. We obtained this information from a communist Vietnamese secret agent in Koh Kong who operates in the Khlong Yai, Mai Rut, Saphan Hin, Thmar Da, Trat, O Tea, Baray, and Samlot areas. According to this secret agent, communist Vietnam, its puppets, and U.S. agents have similar secret networks set up to conduct the same activities behind Pailin, South Sisophon, and Phnum Malai. The enemy also has a similar network in the Dangrek sector.

III. According to this secret agent and many news sources in Phnom Penh, the July 1994 coup d'etat that has been endlessly sensationalized by the two-headed elements, communist Vietnam, and the alliance was simply a farce. This coup d'etat was purely and grossly stage-managed in order to evict Democratic Kampuchea from Phnom Penh; suppress politicians, journalists, students, and people; and cause trouble for Thailand and subject it to all kinds of pressure, such as threats to cut aid, from the United States.

IV. As for Sin Song, everybody—the general public as well as Democratic Kampuchea—knows very well that he is being kept in the shadows to conduct a series of different activities. Indeed, we all know now that he is planning to launch activities from the west against Democratic Kampuchea's rear. The public is well aware that Sin Song was in the first group of communist Vietnamese puppets, along with Heng Samrin and Chea Sim. In the hierarchy of the communist Vietnamese puppet party, Sin Song ranks even higher than Hun Sen. He is a member of the Political Bureau in charge of security, police, and the interior, second only to Chea Sim. He is very close to communist Vietnam and promptly responds to the latter's beck and call. Sin Song has been awarded citations and medals by Hanoi's Ministry of National Security and Le Duc Anh himself.

V. Democratic Kampuchea and our people are familiar with every kind of strong medicine and poison through

our years of dealing with communist Vietnam, its puppets, and the United States. We are not sleeping, oblivious to the danger. The survival of our nation, people, and race depends on our remaining in a permanent state of alert vis-a-vis these vicious enemies.

#### **PGNUNS Notes Danger From SRV Immigrants**

*BK0111080194 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 31 Oct 94*

["Communique" of the Secretariat of the "Provisional Government of National Union and National Salvation" Cabinet dated 31 October; place not given—read by announcer]

[FBIS Translated Text] I. The Cabinet of the Provisional Government of National Union and National Salvation [PGNUNS] held a working session on Monday, 31 October, under the chairmanship of His Excellency Khieu Samphan, prime minister and minister of the National Army, and with the participation of all its members.

II. The Cabinet heard reports presented by each ministry and discussed them in all their aspects with a high sense of responsibility. It sought all means of promoting the national salvation struggle of our nation and people and advancing it steadily step by step toward ending communist Vietnam's war and enabling Cambodia to bring about peace, national reconciliation, and national unity.

III. The Cabinet observed that:

1. The presence of the 4 million ethnic Vietnamese remains the most serious, most profound, and permanent danger to the existence of the Cambodian nation, people, and race. This issue of the 4 million ethnic Vietnamese must be solved at all costs because it directly concerns the survival of the Cambodian race itself.

2. The communist Vietnamese aggressors, their puppets, and the two-headed government have found themselves utterly isolated and deadlocked in all sectors and fields. They are extremely fascist and dictatorial. All the institutions in Phnom Penh belong 100 percent to communist Vietnam and its puppets. The executive, legislative, army, police, judiciary, and civilian administrations in all sectors and fields are 100 percent under the control of communist Vietnam and its puppets. The rural areas—that is, the provinces, districts, communes, and villages—are also controlled by the administrations, both overt and covert, of communist Vietnam and its puppets. Communist Vietnam has purged the FUNCINPEC [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] and all other forces since the UNTAC [UN Transitional Authority in Cambodia] elections of June 1993, especially through the July 1994 coup d'etat and the late-October coup.

The communist Vietnamese rely on their armed forces, police, and civilian administrations of all types in



Phnom Penh and the countryside and also the 4 million ethnic Vietnamese as locally available support forces to enable them to make a nuisance of themselves and become as tyrannical and fascist as they wish.

As for those in the Western alliance who want to use communist Vietnam as a ticket for them to scramble for interests in Cambodia, they have stooped so low as to lick the dirt of communist Vietnam and serve its policy of swallowing Cambodia and exterminating the Cambodian race.

3. The entire Cambodian nation and people, the people in Phnom Penh, and those in the countryside have no hope that anything will be solved under this monopolistic, dictatorial, and fascist regime. The problem of the tens of thousands of square kilometers of territory grabbed by communist Vietnam will remain unsolved. And so will the problem of the presence of 4 million ethnic Vietnamese. More Vietnamese will pour into Cambodia. Their number will be 4 million, 5 million, 6 million, 7 million, and 10 million in the next few years. Corruption, social problems, unemployment, insecurity, and economic and problems in the people's daily life will worsen with each passing day. In the meantime, communist Vietnam's war will continue. While we are at war with the old enemy, the new enemy will add fuel to the flames of communist Vietnam's on-going war. This war will never end. The Cambodian nation and people will continue to suffer endless misery and devastation. On one hand they will continue to be conscripted as soldiers and militiamen and be forced to serve the war and the strategy of communist Vietnam and its two-headed lackey; on the other hand they will continue to be persecuted, arrested, decapitated, and shot at and killed by the communist Vietnamese puppets and the two-headed government in the name of their fascist emergency law.

IV. The PGNUNS Cabinet has put forth a number of concrete measures and advised all ministries, all provincial and district committees, all battlefields, and all units of the National Army of Democratic Cambodia to continue joining forces and sharing life and death with the people in the countryside and the cities, especially the peasants. It has advised them to pool their resources in the struggle under all forms and by all methods, and in particular to assist the guerrilla and people's war to smash and sweep away all categories of civilian administrations, both overt and covert, of the communist Vietnamese, their puppets, and the two-headed government, thus completely rooting them out of the people's localities, villages, and communes, and preventing them from conscripting soldiers, militiamen, and K-5 laborers, plundering the people's economy, rice, and grain, and summoning the troops of the communist Vietnamese puppets and two-headed government to raid villages and communes and torch the people's homes.

The PGNUNS firmly upholds the same ideals now as in the past and in the future—namely, national reconciliation, national concord, and participation of all national forces in a national government under liberal democracy.

31 October 1994

The Secretariat of the PGNUNS Cabinet

### **Sam Rangsi To Sue Newspaper for Defamation**

*BK3010115594 Phnom Penh REAKSMEI*

*KAMPUCHEA in Cambodian 29 Oct 94 pp 1, 2*

[Report by Mea Nop]

[FBIS Translated Excerpt] Sam Rangsi, the recently dropped finance minister, plans to sue THE CAMBODIA TIMES over an article entitled "A Scandalous Affair" it published on 23 October. The article, unveiling several secret documents transmitted by facsimile, said Sam Rangsi would be charged with concocting a plan to oppose the co-prime ministers if he was found to have entered into contacts with the Khmer Rouge without Royal Government authorization.

In his 27 October statement written in English, Sam Rangsi said "I have carefully read the report published by THE CAMBODIA TIMES on 23 October accusing me of treason against the Government and the people of Cambodia." He pointed out that "the report tries to destroy the good reputation of myself and my wife, who have never betrayed the supreme interests of the motherland."

Sam Rangsi believes that the article was designed to discredit him and that it was a dirty attempt to attack his honor and conviction.

Because he has just been removed from the Finance Ministry portfolio and because the paper has discredited his reputation, Sam Rangsi wrote that "after thorough consideration, I have made up my mind to sue THE CAMBODIA TIMES with the perception that nobody can question my honor, reputation, and beliefs." [passage omitted]

### **Daily Analyzes FUNCINPEC's Ebbing Popularity**

*BK0111065294 Phnom Penh REAKSMEI*

*KAMPUCHEA in Cambodian 31 Oct-2 Nov 94 pp 1, 2*

[Commentary by Srei Neat: "FUNCINPEC Faces a Storm"]

[FBIS Translated Text] It appears that events taking place in October have gradually dragged down FUNCINPEC's [National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia] popularity, something that is entirely contrary to what happened during the days of the election. This party's inner circles are experiencing a slew of new crises in addition to the existing ones, despite great efforts to conceal them or the couch them in diplomatic language.



The popularity of FUNCINPEC began to ebb right after the formation of a full-fledged government near the end of last year. Corruption, which began spreading when FUNCINPEC was integrating its civil and military cadres into the central government, stemmed from the blending of the three major political parties. The practice by this party to auction off office positions and dress up ghost lists for its allocated cadres was common knowledge. Meanwhile, Prince Krompreah Norodom Ranariddh, chairman of the FUNCINPEC party, issued one statement after another in a bid to contain this unhealthy phenomenon and also to protect the good name of his party.

However, this problem could not be curbed as the rank and file appeared to have so well synchronized their ventures. It was acknowledged that the living standard of a FUNCINPEC official was greatly outclassed by that of his People's Party counterpart. It can be said that the majority of FUNCINPEC members lived on the fringe of poverty and could barely make ends meet. As a result, corruption thrived in the vacuum and with the destitution of these administrators.

This party is also heavily obligated by its past campaign promises. Many FUNCINPEC members who were told they would get jobs once the party was elected are now expressing dissatisfaction because they are still left out in the cold. Moreover, many FUNCINPEC officials from the border camps have been set adrift.

In light of such a situation, most remedies have proved ineffectual. A FUNCINPEC official disclosed there was a problem causing difficulties to the party: a number of old-hand party officials or members who have come from the border are still without any employment, while some important posts in the government and parliament have instead been given to members from overseas or newcomers in the country, who provided financial backing or housing...during the elections. This dilemma cannot be solved and, worse, it is being ignored. This surely will influence the votes at the next ballot.

The two recent Cabinet reshuffles reflected the crisis within the FUNCINPEC party. Prince Kromkhun Sirivut, the party's secretary general, deputy prime minister, and minister of foreign affairs and international cooperation, resigned from his posts in the government. Sam Rangsi, a high-ranking official in the FUNCINPEC party, was fired as minister of state and minister of economy and finance. He is a member of the 15-man Central Committee of the party.

Ing Kiet, also a member of the party Central Committee, told REAKSMEI KAMPUCHEA: There seems to be no problem at all as both Prince Kromkhun Sirivut and Sam Rangsi are men with whom we can talk inside the party.

Some analysts were of the opinion that claims by certain FUNCINPEC bigwigs were nothing but self-soothing comments. It should be noted that when Sam Rangsi distributed copies of a document to MP's in which he

attacked the leader of an unnamed political party, it was widely believed that the party in question was FUNCINPEC.

Ing Kiet said that in his view anyone who was not satisfied with the party should leave. However, he said there is no instance of this in FUNCINPEC.

It was rumored earlier that Prince Kromkhun Sirivut and Sam Rangsi would set up a new party to compete with FUNCINPEC. However, in his remarks on 28 October Prince Kromkhun Sirivut affirmed that he would not break up the party and he remained loyal to Prince Krompreah, chairman of FUNCINPEC.

Nevertheless, some analysts still believe that in the current situation if FUNCINPEC cannot foster an internal reconciliation, there is no way to avoid a breakup, because a tendency toward an ideological split within the party has become apparent. Two main concepts have emerged: one opposes the Khmer Rouge and the other calls for a compromise with them.

If it is true that such a problem does exist, then FUNCINPEC is surely facing a storm.

## Indonesia

### Memorandum of Intent on Human Rights Signed

BK0111070494 Jakarta THE JAKARTA POST in English 27 Oct 94 p 1

[FBIS Transcribed Text] Jakarta (JP)—The Second National Workshop on Human Rights, which ended here yesterday, called on the government to ratify an international convention on basic rights.

The participants of the workshop, opened by President Suharto on Monday, said in a statement here yesterday that when ratifying the conventions the authorities will have to take into account the degree of universality of the conventions and the consequences of the reports on the ratifications.

The workshop concluded that the government should not face serious difficulties in ratifying them promptly, especially those that have already been ratified by 100 countries.

"It would be better if the government were to ratify three or four conventions a year, leaving the rest to be finished within about five years," the statement said.

The workshop also recommended that the government pay special attention to certain rights because of their special nature...the breaches of which are categorized as "gross violations."

The workshop also stated that Indonesia needs a climate conducive to implementing human rights and should, thus, reinforce its police force, confirm the freedom of the judicial system and the press, as well as boost the role



of the legislative body and provide full recognition for the legal profession and non-governmental organizations (NGOs).

"Indonesia really needs a strong society besides a strong government," it said.

The participants of the workshop also agreed that human rights values should be disseminated through formal and non-formal institutions at home. They believe the press has an important role to play in the improvement of the implementation and protection of human rights.

Indonesia signed a UN memorandum yesterday for the protection and promotion of human rights. The memorandum of intent will allow this country and the United Nations High Commissioner for Human Rights to cooperate in the development and implementation of programs for the promotion and protection of human rights in Indonesia. The document was signed by John Pace, representative of the UN High Commissioner for Human Rights, and Izhar Ibrahim, the director general for political affairs of the Ministry of Foreign Affairs.

Ibrahim said that the signing of the memorandum of intent reflects the firm commitment of both (the signatories) to cooperate for the promotion and protection of human rights here.

#### **Daily Urges Unbiased Judgment on Rights Practices**

*BK3110113194 Jakarta THE JAKARTA POST in English 25 Oct 94 p 4*

[Editorial: "About Human Rights"]

[FBIS Transcribed Text] In this age of globalization there seems to be a growing tendency on the part of foreign countries—especially those that extend aid to others—to know what is happening in the other countries. A similar trend can also be observed among non-governmental organizations (NGOs) around the globe.

The latest example of this is a statement released by the New York-based Human Right Watch/Asia yesterday, accused Indonesia of cracking down on NGOs and on the press ahead of next month's APEC [Asia-Pacific Economic Cooperation] meeting here. The organization called on the participants of the scheduled meeting "to tell the Indonesian hosts that rule of law would be far preferable to one of enforced tranquility, purchased at the price of intimidation, harassment, press bans etc."

This tendency—especially with respect to the observance of human rights—has understandably made many developing countries uneasy, because, as they see it, the respect of human rights is inseparable from the protection of other rights in the respective societies. For this reason, merely looking at a country's "human rights record" could produce a biased, or at least an unbalanced picture of the overall situation.

Such a lopsided evaluation may look even more awkward in light of the fact that in many industrially advanced countries the implementation of human rights is related to many other principles. The truth is that it is not only the developing countries that have to consider the existence of many other related principles, but also the industrialized nations.

To illustrate, even the United States' President Bill Clinton has demonstrated his "understanding" of China's human rights situation, which the U.S. government attacked frequently in the not so distant past. Now, under the principle that trade comes first and human rights in China later, Washington continues to boost its trade with Beijing without making any further fuss about reported human rights abuses.

It is in this perspective, we believe, that we should understand President Suharto's comment at the human rights workshop here yesterday. He said that, for Indonesia, human rights are not only a part of this country's legal or political program, but a universal manifestation of the belief in God Almighty. This view implies that a discussion of basic rights must include all the efforts that we make to improve the dignity of mankind and to enhance the rights and responsibilities of all citizens.

All this, however, could mean that other countries and nongovernmental watchdog bodies may find it hard to properly view the Indonesian human rights situation in a proper perspective as long as they fail to understand what basic rights are involved. But the important question is whether the Indonesian concept is workable in the era of globalization on this shrinking planet earth? Unlikely as it may seem, the answer seems to give reason for optimism. Suharto in his address guaranteed that Indonesia would be open to any beneficial values coming from the outside.

The next relevant question probably is, do foreign countries and organizations have the right to evaluate Indonesia's human rights record? In the words of Minister of Foreign Affairs Ali Alatas yesterday the only organizations that have the right to do so are those that are affiliated with the United Nations. He said other parties should only do so as long as they do it objectively and with a sense of balance.

So, the problem should be clear.

#### **Army Reportedly Continues Offensive in E. Timor**

*LD3110164694 Lisbon RDP Antena 1 Radio Network in Portuguese 1600 GMT 31 Oct 94*

[FBIS Translated Text] Konis Santana has denounced Indonesia for carrying out military operations in Timor, after the Timorese resistance announced an unilateral cease-fire.

[Begin Santana recording] Despite the unilateral cease-fire declaration, the Indonesians are still engaged in military operations against Falintil [armed Timorese



resistance] in the border regions, especially in the Hatolia area. There the Indonesians are launching a major military offensive against the Falintil. A number of civilians who supported the Falintil were captured in the area of [word indistinct]. As a result of this the enemy localized the guerrillas' military presence in that strip of land and have deployed more than four companies to the area. They are trying to capture commander Ernesto Fernandes. [end recording]

### **Cambodia's Effort To Join ASEAN Examined**

*BK2910130994 Jakarta Radio Republik Indonesia  
Network in Indonesian 0000 GMT 29 Oct 94*

[Station commentary]

[FBIS Translated Text] Prince Norodom Ranariddh, Cambodian first prime minister, disclosed his country's wish to join ASEAN in an interview with Michael Richardson, Paris-based correspondent of the INTERNATIONAL HERALD TRIBUNE, early this week. Prince Ranariddh said Cambodia plans to join ASEAN because the grouping will make the country feel safer while making things more difficult for the Khmer Rouge. It is worth knowing that Cambodia is not alone in its bid to join ASEAN, because other Indochinese countries, especially Vietnam, are also interested in joining the regional grouping.

Despite the fact that Malaysia is talking about expanding ASEAN from a six- to a 10-member grouping, while Thailand wants to host a semi-official meeting of the 10 Southeast Asian nations at the end of this year, it remains to be seen whether the wishes of the Indochinese countries and Myanmar [Burma] will soon be fulfilled. What is clear is that Cambodia will not become an ASEAN member earlier than Vietnam. However, by making clear its desire to join ASEAN, Cambodia's position will be aligned more closely with that of Thailand, which will play an increasingly important role in ASEAN if the Indochinese countries are indeed included in the grouping. Thailand itself can actually be considered as an Indochinese country even though it has never been a French colony.

Some time ago, Cambodia accused Thailand, its close neighbor, of supporting the Khmer Rouge. However, Ranariddh said Bangkok no longer dares give open support to the Khmer Rouge. This means that relations between Cambodia and Thailand have improved. Thailand's stand also means that the Khmer Rouge's chances of returning to power in Cambodia have been greatly reduced. In addition, the PRC no longer supports the Khmer Rouge, while the international community, which has exerted strenuous efforts to restore democracy in Cambodia, will not allow the Khmer Rouge to return to power. Ranariddh's remarks may be aimed at dismissing the views that Cambodia's failure to free three Western hostages from Khmer Rouge captivity has created a military deadlock which still requires a political settlement.

## **Laos**

### **Leaders Receive Thanks From PRC Counterparts**

*BK0111101194 Vientiane Vitthayou Hengsat Radio  
Network in Lao 1200 GMT 31 Oct 94*

[FBIS Translated Text] On 15 October 1994, Comrade Jiang Zemin, general secretary of the CPC Central Committee and president of the PRC; Comrade Qiao Shi, chairman of the National People's Congress [NPC] Standing Committee; and Comrade Li Peng, premier of the State Council of the PRC, jointly sent a message of thanks to Comrade Khamtai Siphandon, chairman of the Lao People's Revolutionary Party [LPRP] Central Committee and prime minister of the Lao People's Democratic Republic [LPDR]; Comrade Nouhak Phoumsavan, president of the LPDR; and Comrade Saman Vi-gnaket, chairman of the National Assembly of the LPDR. The message reads as follow:

We are honored to have received a message of greetings from you, comrades, on the occasion of the 45th anniversary of the PRC. On behalf of the CPC Central Committee, the NPC Central Committee, the PRC Government, the Chinese people, and in our own names, we would like to express sincere thanks and best wishes to you, comrades, and through you, to the LPRP Central Committee, the LPDR Government, the National Assembly of the LPDR, and the Lao people.

On the same occasion, Comrade Qian Qichen, vice premier of the State Council and minister of foreign affairs of the PRC, also sent a message of thanks to Comrade Somsavat Lengsavat, minister of foreign affairs of the LPDR. The message reads as follow:

I am honored to have received a message of greetings from you, comrade, on the occasion of the 45th anniversary of the PRC. I sincerely thank you, comrade, for the greetings.

### **Talks Held With CPC Delegation on 31 Oct**

*BK0111100994 Vientiane Vitthayou Hengsat Radio  
Network in Lao 0000 GMT 1 Nov 94*

[FBIS Translated Text] A delegation of the Lao People's Revolutionary Party [LPRP] held talks with a CPC delegation at the Lan Xang Hotel in the capital, Vientiane, on the morning of 31 October. The Lao delegation was headed by Comrade Sileua Bounkham, member of the LPRP Central Committee, deputy chief of the Propaganda and Training Board of the Party Central Committee, and director of the High-Level Party and State School. The Chinese side was headed by Comrade Li Changchun, member of the CPC Central Committee and secretary of the Henan Provincial Party Committee. The meeting was attended by a number of cadres concerned from both sides. Also attending was Comrade Li Jiazhong, ambassador extraordinary and plenipotentiary of the PRC to Laos.



In the meeting, Comrade Sileua Bounkham informed the Chinese side of Laos' activities and achievements in carrying out socioeconomic development, especially during the period of restructuring. He noted: The Lao economy has been developed with quite rapid steps. It has switched to following the path of an economic structure in which agriculture and forestry are combined with industry and services as stipulated by the party and state. Pursuing the policy of broadening economic cooperation with foreign countries, the Lao People's Democratic Republic has developed cooperation with many friendly countries on the basis of the principles of equality and mutual benefit.

Comrade Li Changchun also informed the Lao side of the situation in the PRC and its achievements in implementing the economic reform and open-door policy. The two sides also exchanged views and discussed the possibilities of developing cooperation and making investment in the economic field in Laos.

The Lao delegation head assessed this visit to Laos by the CPC delegation as a significant contribution to further strengthening, promoting, and expanding ever more fruitfully the long-standing relations of friendship between the two parties, governments, countries, and peoples of Laos and China.

#### **Australia To Build Four Border Bridges**

*BK0111063194 Melbourne Radio Australia in English  
0500 GMT 1 Nov 94*

[FBIS Transcribed Text] Australia is to build four new bridges in Laos. The project costing more than \$11 million [Australian dollars] follows the completion of the Friendship Bridge linking Thailand and Laos across the Mekong River.

Three of the new bridges will be built on Route-13—main north-south highway which runs from southern Laos to China. The fourth bridge will be near Xieng Khouang on Route-1 in northeast Laos improving access to isolated mountain areas near the border with Vietnam. Announcing the project, Australia's minister for development cooperation, Gordon Bilney, said developing better road links was a national priority in Laos.

#### **Thailand**

#### **Government Rejects U.S. Request for Arms Depot**

*BK3110134794 Bangkok Thai Color Television  
Channel 9 in Thai 1200 GMT 31 Oct 94*

[FBIS Translated Text] U.S. Pacific Fleet Commander Admiral Richard Macke and his delegation have paid a courtesy call on Prime Minister Chuan Likphai at Government House to discuss the U.S. proposal to set up an arms stockpile in Thai territory. Pracha Khunakasem, permanent secretary of the Foreign Ministry, disclosed after the meeting that the prime minister had informed

the U.S. admiral that he had consulted the agencies concerned, and both the Defense and the Foreign Ministries felt that such an arms stockpile could result in internal and external security problems. In particular, the stockpile could mislead neighboring countries. For this reason, Thailand wishes to reject the proposal to establish such an arms stockpile.

[Begin recording] [Pracha in progress] ...unable to help in this matter due to domestic and external political reasons. The neighboring countries, other ASEAN countries, and the countries in the Asian Regional Forum are likely to misunderstand the reasons for the stockpile. Because of this, we could not help the United States in this regard. [end recording]

The prime minister said the government could not accept the U.S. proposal, but he informed the visitors that the government is ready to cooperate on other security issues.

[Begin recording] [Chuan] Today I took the opportunity to inform the commander, as the ambassador was also present.

[Unidentified correspondent] What are the reasons for their choosing Thailand as the site?

[Chuan] It is because Thailand is the most suitable place geographically. The Pacific Fleet commander was the person who advanced the concept. He feels that Thailand's location is suitable. I expressed regret that Thailand could not accept the proposal. However, we will provide continued cooperation on regional security issues.

[Correspondent] How does the government view this issue?

[Chuan] It is necessary to look at regional security problems and be prepared, but not in this way. [end recording]

#### **Military Officials Cited on Russian Arms Deal**

*BK3110040394 Bangkok THE NATION in English 31  
Oct 94 p A4*

[FBIS Transcribed Text] The Thai armed forces have been interested in Russian weapons for the past few years, but no deal has ever been finalized, senior Thai armed forces officials said. None of them denied knowledge of a report from Moscow that a major deal to buy Russian arms is imminent.

The report, which came about a week ago, has never been confirmed by any Thai government agency. The officials contacted by THE NATION doubted that even though the report is true, the purchase will be big or politically significant like Kuala Lumpur's decision to buy MiG-29 jet fighters.

Last week Russian news agency ITAR-TASS quoted Lt Gen Viktor Samoylov, director of the Russian state



company Rosvooruzheniye, as saying that results of the latest round of talks with Thai officials a day before were "inspiring".

"We have outlined a cooperation framework for the Army, Navy and Air Force Russia is actively entering the Southeast Asian arms markets," he said.

Thai Army officials—citing their superior Wimon Wongwanit's policy—doubted Thailand could make drastic changes in its munitions purchasing policy which depends largely on Western producers.

"In previous years we were only interested in arms from countries whose weaponry has been commissioned by the Army before," Wimon once commented on the Army's policy. "They had to be reliable and of the type and model used by the Army already."

In 1993 the Army shopped around for 2C helicopters and were interested in the Russian MIV-17V. They were finally rejected on the grounds of prohibitive maintenance costs, availability of spare parts and the fact that the aircraft were alien to Army personnel who were used to flying US Bell choppers.

In the same year the Army chief showed enthusiasm for Russian-made heavy armour during his and Army Engineering Department chief Lt Gen Narunat Kampanatsaenyakon's official tour of the former Soviet Union, but again nothing was signed.

"The Russian heavy armour was durable and worked well, but it was not modern. What mattered was again the troublesome problem of maintenance and spare parts," an engineering source said.

When the Malaysian government decided to purchase a squadron of Russian-made MiG-29 jet fighters, it triggered speculation that Thailand might be interested in acquiring a squadron of its own, given that the Russian fighters come close in performance to the popular US-made F-16. The Russian jets also worked out cheaper.

But when it came down to the final decision, the then Air Force chief Air Chief Marshal Kan Phimanthip, left the decision to the government. He raised the same drawbacks as previous ventures into the Russian market—the problems of spare parts and extra training costs. The plan was suspended.

The Russians, though, have worked extraordinarily hard since the end of 1992 to convince the Thai Navy about the positive aspects of establishing the first ever Thai submersible fleet, using Russian submarines.

Despite the ruggedness and comparatively inexpensive cost of the submarines, as the two most salient selling points for the Russians, then Navy chief Adm Wichet Karunyawanit's, favoured awarding a Btl7 billion deal to German submarine manufacturers. The matter is now pending a final Cabinet endorsement.

### No Punishment for Officials Involved in Coup

BK0111052794 Bangkok THE NATION in English 2  
Nov 94 pp A1, A4

[FBIS Transcribed Text] Prime Minister Chuan Likphai said yesterday the government would not punish any Thai officials if they were found to have been involved in the abortive July coup in Cambodia.

Chuan said the government had set up a committee chaired by Defence Permanent Secretary Gen Prasoet Sararit only to verify whether the Cambodian allegations of Thai officials' complicity were true, and not to punish the officials involved. He said the committee, which comprises officials from government and military agencies, will proceed without a deadline and that its finding will be publicized.

The premier said his administration would investigate only the alleged involvement of government officials and not that of individuals in the private sector because the Cambodian government had already done the latter by prosecuting 14 Thais who were charged with attempting a coup.

Thailand's image has already been tarnished, regardless of whether Thai officials were involved, due to worldwide publicity, he said.

Chuan, however, played down his concern over the alleged Thai complicity, saying that the Thais who had been convicted in Phnom Penh were largely ignorant of the political crime but had travelled to Cambodia because of promises of high salaries.

A Cambodian military court on Friday handed down suspended sentences of three to five years to 14 Thais who were charged with a forcible attempt to topple an elected government. Five were convicted in absentia because they had been released and repatriated to Thailand in August.

The group told Cambodian investigators and the court that they were employed and promised work in Cambodia by Hitech Antenna Co, which was subcontracted to set up telecommunications equipment by International Broadcasting Corporation (IBC) Cambodia Ltd.

Some of the group had confessed that they knew either about the coup plot or the Thai co-conspirators who were said to have fled to Thailand after the unsuccessful overthrow.

Phnom Penh in August sent a list of 14 other Thais it wanted to interview for information relating to the coup attempt. The list included three Army officers who are close aides of National Security Council Chief Gen Charan Kunlawanit, former MP Pol Lt Col Adun Bunsuet, who used to work as an adviser to Interior Minister Gen Chawalit Yongchaiyut, and some businessmen, including Thanongsak Surathananan, managing director



of Hitech Antenna Co, and Kraiwat Siwutthiwong, a business broker and a key managing member of IBC Cambodia.

In a press conference yesterday, Thanongsak defended his innocence in the coup bid, claiming that the whole affair was a game of the government, without identifying which government.

Seven of the nine Thais who returned on Friday showed up at the press conference yesterday.

Although some of his employees had confessed, Thanongsak claimed they were forced to plead guilty "or else they might not be freed or would face more serious penalties".

"The whole thing is a game of the government," he said, but stopped short of identifying which government. He said the convicted Thais were small fry and didn't even know where they would work in Cambodia.

Thanongsak said after his flight from Phnom Penh in July that all 14 of those arrested were his employees, but yesterday he dissociated himself from all but three—his brother, Somsak Suratthananan, Anuchit Thungphonphum and Prathuang Phonyiam. Thanongsak said he had earlier claimed to know all of them for the sake of helping the whole group.

When cornered with evidence of his connection with the 14 Thai convicts, Thanongsak burst out in anger and blamed the media for aggravating the situation and damaging Thailand's image and bilateral relations between the two countries.

Anuchit had confessed in court that he was hired by Thanongsak to install utility poles and was told that two Thais would take him to a work site where he would have to cut electrical wires on July 2, the date of the coup attempt. The two Thais failed to turn up.

"Please, let everything end for the sake of the country and good ties between Thailand and Cambodia," Thanongsak later pleaded with the media.

The Thai convicts, who upon arrival from Cambodia on Friday had initially indicated they were eager to expose the "true story" of the coup attempt, appeared sombre yesterday at the press conference and were quickly whisked away before they could speak.

Meanwhile, Sak Khoseangruang, president of the Law Society of Thailand, said the Cambodian verdicts were based on evidence, witnesses and the fact that the convicts could not clarify the purpose of their trip to Cambodia.

#### **Suphachai Seeks Help for Thai Investors in PRC**

*BK3110143494 Bangkok Voice of Free Asia in Thai 1030 GMT 31 Oct 94*

[FBIS Translated Text] Deputy Prime Minister Dr. Suphachai Phanitchaphak reported that during his talks

with Chinese Prime Minister Li Peng and Deputy Prime Minister Zhu Rongji who is in charge of the economy, he asked China to support Thai businessmen operating in the special economic zone west of Shanghai. He asked China to allow land rent to be frozen for some time instead of adjusting it every year. Thailand also proposed to China to develop the economic zone into a free trade area in order to attract more foreign investors.

There are presently a large number of foreign investors operating in the various special economic zones in China, such as those from Singapore with projects in Fuzhou. There are also Korean and Taiwanese investors doing business.

The deputy prime minister said that Thailand supports China as member of the World Trade Organization. Thailand, meanwhile, asked China to help it adjust the trade imbalance between the two countries as it suffers a deficit of millions of U.S. dollars in trade with China annually.

#### **Editorial Views SLORC-Aung San Suu Kyi Talks**

*BK0111052894 Bangkok THE NATION in English 2 Nov 94 p A6*

[Editorial: "Gap Between Suu Kyi and The SLORC Narrowing"]

[FBIS Transcribed Text] On Friday, military officials in Rangoon had a second meeting with Burma's leading dissident Aung San Suu Kyi, the 1991 Nobel Peace laureate whose National League for Democracy (NLD) won a landslide victory in the nullified 1990 election.

Under house arrest since 1989, she had her first meeting with the country's military rulers only on Sept 20. Her previous attempts in trying to engage the ruling State Law and Order Restoration Council (SLORC) in a dialogue was only met with heavy-handedness. More than 60 NLD MPs were arrested and others were driven into exile.

SLORC's second meeting with the NLD leader indicates that the gap between the military junta and the Nobel laureate is narrowing and is tantamount to a recognition by SLORC that Suu Kyi is a problem that won't go away.

Indeed, Suu Kyi will never be forgotten, and if the messages of solidarity from US President Bill Clinton and other Western leaders on the fifth anniversary of her unlawful detention are anything to go by, it clearly indicates that she will be a thorn in SLORC's side.

SLORC is keen to embrace the market economy but Western powers are blocking hundreds of millions of dollars in development aid pending improvements in Burma's human rights situation. Starved of loans from the World Bank and other multilateral agencies, SLORC has been able to carry its open-door economic policy only so far. The country's rudimentary roads, ports and



communication networks need dramatic upgrading to win significant foreign investment.

Also discouraging outsiders is the overvalued currency. Adjusting to world rates would require considerable aid from the IMF.

The United States cut off aid after the military suppressed democracy demonstrations in 1988, and has removed the country from the list of those that cooperate on curbing narcotics.

Now it has been clearly proven that economic sanctions do work on repressive regimes like the SLORC and has succeeded in making them less of a monster.

One thing encouraging the SLORC to carry on talking to Suu Kyi is her recent remarks to visiting US Congressman Bill Richardson in February to whom she said she was not interested in any active political role, other than as a spokeswoman for reconciliation.

"Not holding public office is not a problem for me. Public office is not my goal," she told Richardson.

The harsh reality is that the NLD has been crushed brutally by the SLORC. What is left of the NLD inside the country has been cowed into submission, and exiled activists have been marginalized. Also, the SLORC has struck ceasefire agreements with the ethnic rebels fighting the military junta, in exchange for business opportunities. This has neutralized the rebel threat, while weakening fugitive NLD activists who operated from rebel-controlled areas.

US Deputy Assistant Secretary of State for East Asia, Thomas Hubbard is due in Rangoon this week for talks with the SLORC on democracy, human rights and the fight against narcotics.

In June, two congressional panels called for the release of Suu Kyi from house arrest in Burma.

Resolutions were passed by the House subcommittee on Asia and the Senate Foreign Relations Committee to free Suu Kyi.

Hubbard said Burma "remains one of the worst violators of human rights" and a top producer of heroin. He also called for Rangoon to be excluded from the July meeting of ASEAN.

The building of democratic institutions has been one of the cornerstones of the Clinton administration, though along the way Washington has faltered, especially with regard to China and Indonesia.

No halfway deals can be accepted with the SLORC, and it is imperative that Washington keep pressing for the immediate release of Suu Kyi and all political prisoners.

The Nobel laureate herself has said the only answer to Burma's problems is dialogue.

"It is not a question of losing face. It involves finding the best solution for the country," Suu Kyi said.

The Clinton administration's duty now is to make sure that the SLORC will not just pay lip service to Suu Kyi.

Her release is a prerequisite for Burma shedding its pariah-like status.

## Vietnam

### Development Seen in U.S. Economic Relations

BK0111123094 Hanoi Voice of Vietnam in English  
1000 GMT 1 Nov 94

[FBIS Transcribed Text] Vietnamese Prime Minister Vo Van Kiet has reaffirmed that Vietnam is ready to create favorable opportunities for American businessmen to invest in Vietnam for peace and prosperity of both countries. He was speaking at a reception in Hanoi for the president of the American Chamber of Commerce in Vietnam, Mr. A.L. Dematteis.

Here is our radio editor's opinions:

Vietnam-U.S. relations have seen encouraging development since the United States lifted its economic sanctions, particularly in the fields of trade and investment. American business investment has increased in Vietnam. The Leon Company, of which Mr. Dematteis is executive director, is one of the American companies have come to Vietnam early. Mr. Dematteis told Vietnamese Prime Minister Vo Van Kiet that his company and the Chamber wish to help Vietnam gain a strong position in international trade and industrial production. He affirmed that with many projects capitalized at \$200 million, the Leon Company and the American Chamber of Commerce in Vietnam would further contribute toward normalization of all trade relations between the United States and Vietnam.

Noteworthy is the bilateral trade between Vietnam and the U.S. has increased rapidly. Two-way trade turnover in 1993 was only \$3 million, but in the first eight months of this year it has already reached \$100 million. From nothing, American investment in Vietnam in the first eight months of this year was valued at \$185 million. In the later half of 1993 and early this year, more than 100 American companies, including several large companies, have come to Vietnam seeking business opportunities. Up to now, nearly 40 U.S. companies have opened their representative offices in Vietnam.

According to a recent survey made by the United States-ASEAN Trade and Technical Council, trade turnover between Vietnam and the U.S. has reached \$2.7 billion and expected to reach \$8.2 billion over the next five years. It is reported that more leading American corporations and business people have come to Vietnam to make market surveys and seek investment opportunities.



Activities of the Vietnam Chamber of Commerce and Industry and the American Chamber of Commerce over the last few months have been (ever-present). The Vietnam Chamber of Commerce coordinated with the San Francisco Office of Commerce in organizing the first exhibition of American export goods in the United States. The exhibition was reported to have been highly valued by the American public, and in the coming period an international exhibition of the United States goods called Vietnam-America 1994 will be held in Ho Chi Minh City. Seventy American companies have registered to participate. In April this year already more than 50 American companies participated in another exhibition in Hanoi.

### **Visit by PRC Communist Party Delegation Reported**

*BK3110150194 Hanoi VNA in English 1438 GMT 31 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 31—A delegation of the Communist Party of China (CPC) led by Mr Li Chang Chun, member of the CPC Central Committee, has paid a nine-day visit to Vietnam at the invitation of the Communist Party of Vietnam Central Committee [CC].

While here, the Chinese delegation was cordially received by Mr Do Quang Thang, Politburo member and secretary of the CPV CC, who expressed his hope that the exchange of visits by the two countries' party and state delegations would help to promote the mutual understanding and friendship between the two parties and people.

For his part, Mr Li Chang Chun, who is also secretary of the provincial party committee of He Nan, hailed the great achievements recorded by the Vietnamese people under the leadership of the CPV in their renovation process, and wished the Vietnamese people greater successes.

The delegation had working sessions with party officials in Hanoi, Ho Chi Minh City, Ha Bac and Song Be provinces. It also called at some industrial and agricultural establishments.

### **Indian Communist Leader's Activities Reported**

*BK3110145794 Hanoi VNA in English 1438 GMT 31 Oct 94*

[FBIS Transcribed Text] Hanoi VNA Oct. 31—General Secretary of the Communist Party (Marxist) of India Harkishan Singh Surjeet has paid a visit to Vietnam at the invitation of the Communist Party of Vietnam Central Committee.

While here, Mr. H.S. Surjeet held talks with CPV General Secretary Do Muoi. He was cordially received by Prime Minister Vo Van Kiet and advisor to the CPV Central Committee Pham Van Dong and had working

session with Dao Duy Tung, Politburo member and secretary of the party Central Committee and Pham The Duyet, Politburo member and secretary of the party committee of Hanoi.

The Indian General Secretary also visited the Ho Chi Minh National Politics Institute and some economic establishments in Hanoi.

The two sides informed each other of the situation of each party and country. They exchanged views on the renovation process in Vietnam and the experience drawn by the Vietnamese party and people in implementing the resolution of the CPV's 7th Congress. They also compared notes on the international and regional issues of common concern. The two sides were unanimous in promoting the solidarity, friendship and cooperation between the two parties and people, thus contributing to the consolidation of peace, stability, and cooperation in the region and the world as a whole.

Mr. H.S. Surjeet left Hanoi on Oct. 30 for Ho Chi Minh City before going home.

### **Economic Cooperation With Canada Reviewed**

*BK3010151594 Hanoi Voice of Vietnam Network in Vietnamese 0500 GMT 30 Oct 94*

[Station commentary]

[FBIS Translated Text] Canada is striving to expand bilateral relations with Vietnam by increasing its trade and investment activities, providing development aid, and supporting our country in its renovation process and in efforts to join the world community.

Although the two countries' trade value was only 39 million Canadian dollars in 1993, this was still an increase of 33 percent compared to the previous year. The two sides have cooperated appropriately in the framework of Canada's capabilities and Vietnam's requirements in such areas as communications, transport, telecommunications, energy, and other domains. Canada has provided annual aid to Vietnam worth about 12 million Canadian dollars in various forms. The Canadian International Development Aid Agency has formulated a plan to expand this aid and has carried out a long-term development cooperation program to help Vietnam formulate plans to manage its socioeconomic development program.

Diplomatic relations between the two countries were established in 1973. Vietnam opened its embassy in Ottawa in 1990 and Canada opened its liaison office in Hanoi in 1991 and upgraded it to an embassy in 1993.

Since 1991, many Vietnamese and Canadian ministers have exchanged official and working visits. Cultural relations between Canada and Vietnam are developing remarkably through visits by artistic troupes, cooperation in radio broadcasting programs, and exchanges of views in the use of the French language.



In Canada, there are about 160,000 Canadian citizens of Vietnamese origin, many of whom maintain close ties with their relatives in Vietnam.

Canada is holding talks with Vietnam on a series of bilateral agreements with an aim to strengthening relations between the two countries. The bilateral economic and development cooperation agreement was signed during the official visit to Canada by Vietnamese Deputy Prime Minister Phan Van Khai in June. Those agreements still under negotiation include a trade agreement, an agreement on avoidance of double taxation, and an agreement on aid to strengthen the Vietnamese legal system.

In 1993, Vietnam exported goods to Canada worth 27 million Canadian dollars, mostly maritime and textile products. Canada exported to Vietnam such items as chemical products, machines, and equipment worth 12 million Canadian dollars.

Although Canada is a North American country, it has, for quite a while, maintained fine relations of friendship and cooperation with Vietnam. Forty years ago, following the signing of the Geneva Accord on Vietnam, Canada participated in the International Control Commission in Vietnam, and the movement to support Vietnam in the struggle for national liberation was widespread among Canadian residents. After the unification of Vietnam, Canada has continued its support and assistance to our country.

The first visit to Vietnam by Canadian Prime Minister Jean Chretien from 16-18 November this year is an important event in Vietnam-Canadian relations.

### Further on National Assembly Proceedings

#### 31 Oct Activities Detailed

*BK3110143894 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 31 Oct 94*

[Report by station correspondent Huy Toan]

[FBIS Summary] "Dear friends: This morning, the National Assembly met in the conference hall and heard Minister of Marine Products Nguuyen Tan Trinh, Chief Justice of the Supreme People's Court Pham Hung, Chief Procurator of the Supreme People's Organ of Control Le Thanh Dao, and Deputy Prime Minister Phan Van Khai clarify some issues and answer questions raised by the National Assembly deputies at the Sixth Session of the Ninth National Assembly. National Assembly Chairman Nong Duc Manh directed the meeting."

Based on the contents of the group discussions and the debates in the conference hall, many deputies maintained that the pace of trial work over the past nine months was slow, that a substantial number of cases remained unresolved, that a number of cases were not

tried strictly in accordance with the law, and that the pace of sentence enforcement remained very slow.

Chief Justice of the Supreme People's Court Pham Hung acknowledged that the aforementioned remarks were completely accurate. He also maintained that these shortcomings must be traced back to the incompetence and poor knowledge of cadres in charge of trial work, to an inadequate supply of material and technical facilities to the court sector as well as an improper remuneration policy, and most seriously of all, to the slow appointment of state judges.

In response to some deputies' questions about the performance of people's organs of control over the past nine months, Chief Procurator of the Supreme People's Organ of Control Le Thanh Dao acknowledged that so far the level of coordination among the people's organ of control, public security, and court sectors has remained unsatisfactory, and that many cadres in charge of control work have continued to display a poor sense of responsibility.

Also at this morning meeting, Deputy Prime Minister Phan Van Khai presented government comments on the National Assembly deputies' assessment of the implementation of the 1994 tasks and the 1995 tasks and orientations. According to Deputy Prime Minister Phan Van Khai, the government unanimously concurred with the National Assembly's evaluation of the 1994 situation and with the need for the government to stabilize rice prices, fulfill collection targets, provide budget allocations for planned projects, curb inflation, and implement administrative reform.

"Regarding the 1995 tasks, Deputy Prime Minister Phan Van Khai reasserted that to help the country avoid the danger of being left behind, the government will do all it can to create a momentum for integrated and comprehensive achievements in all domains of socioeconomic activities and that efforts will be focused on the application of six major measures already mentioned in the government report."

"Dear friends: This afternoon, the deputies held group discussions on the National Assembly's draft resolution on the implementation of the 1995 tasks. Tomorrow, 1 November, the National Assembly will hold group discussions in the morning to draw experiences from the session and then hold the closing session in the afternoon."

#### Assembly's Sixth Session Closes

*BK0111104094 Hanoi Voice of Vietnam in English 1000 GMT 1 Nov 94*

[FBIS Transcribed Text] The sixth session of the National Assembly closed on Tuesday afternoon after 10 days of working. Earlier, on Monday, the session heard a supplementary report by the vice premier, Mr. Phan Van



Khai, on socioeconomic development and state budget. We will bring you an excerpt from his report latter in this program.

#### **Nguyen Di Nien on 1994 Diplomatic Activities**

*BK2910133494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 29 Oct 94*

[FBIS Translated Text] Regarding our government's diplomatic activities in 1994 as already reported at the sixth session of the Ninth National Assembly, Deputy Foreign Minister Nguyen Di Nien said:

Vietnam's diplomatic activities in 1994 were deployed positively on a large scale with many different targets and directions covering various activities of the party, the state, mass organizations, and social organizations. More prominently, Vietnam has opened up a new stage in its relations with the ASEAN organization and is making active preparations to become an official member of this organization.

Relations between Vietnam and the United States also achieved a remarkable breakthrough following the April 1994 decision made by the two countries to open liaison offices in the capitals of the respective countries. Relations between Vietnam and its traditional friendly countries also continued to be consolidated and developed.

Along with many high-level Vietnamese delegations visiting many countries, never before did Vietnam welcome so many high-level delegations as it did in 1994. Up to October 1994, Vietnam had welcomed the visits to Vietnam of four heads of state, nine prime ministers, and three National Assembly chairmen. This does not include dozens of delegations at the department head, parliamentary committee, and ministerial levels.

In 1994, Vietnam also established diplomatic ties with an additional number of countries, thus increasing the number of countries having diplomatic relations with Vietnam to 149.

Diplomatic activities have contributed to broadening foreign economic relations, especially the market, and have helped obtain more sources of capital and technologies from various countries and international organizations. This has contributed on a practical level to serving the renovation process and stepping up economic development in the country.

Over the past 9 months, Vietnam has signed with the international financial and monetary institutions many loan deals, increasing the total amount of obtainable capital loans to \$1.483 billion.

#### **Decrees on Land Renting Provision Announced**

*BK2910091094 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 94*

[FBIS Translated Text] The President's Office held a news conference in Hanoi this afternoon to announce the

promulgation of a decree regulating the rights and responsibilities of groups and agencies authorized by the state to let land, and a decree on the rights and responsibilities of foreign organizations and individuals renting land in Vietnam.

At the news conference, Mr. Nguyen Cong Tan, minister for Agriculture and Food Industry introduced the contents of the two decrees. The decree on the rights and responsibilities of domestic organizations which let land is comprised of four chapters containing twenty six articles which concretely stipulate the rights and responsibilities of organizations letting land and domestic groups renting land. The decree on the rights and responsibilities of foreign organizations and individuals who rent land in Vietnam is comprised of four chapters containing twelve articles which stipulate the rights and responsibilities of organizations and individuals renting land in Vietnam.

Both decrees will have be effective from 1 January 1995.

#### **Problems in Foreign Investment Discussed**

*BK2910122494 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 28 Oct 94*

[Unattributed essay from the "Today's Problem" feature]

[FBIS Translated Text] Dear friends: In today's feature, we would like to discuss the theme: Foreign Investment Cooperation Is Still Fraught With Problems.

Dear friends, since the law on foreign investment was promulgated by our country, we have licensed over 1,000 foreign investment projects with a total capital of over \$10 billion. However, only over 600 projects have been deployed, employing over 53,000 workers. Fifteen percent of the investment licenses granted have been revoked. The revoked licenses have, for the most part, been those for small projects, for which trade partners have failed to investigate the market carefully enough.

According to figures provided by the State Committee for Cooperation and Investment, out of a total of \$10 billion or more of investment capital licensed, only \$3 billion or more is now being used for the construction of various projects, with over \$2.5 billion being actually mobilized for production, mainly for the oil and gas sector.

The question is: Why has the implementation of various investment cooperation projects between our country and other countries failed to produce the desired results? In seeking to understand this question, we found that, first, all foreign businessmen have complained about our paperwork procedures being too complicated, inconvenient, time-consuming, and ineffective. Professor Nguyen Mai, a PhD degree holder and vice chairman of the State Commission for Cooperation and Investment, said: The cooperation and investment sector has less complicated paperwork procedures, thanks to its coming



into being at a later stage. There still exist, however, numerous inconvenient and unnecessary procedures in the sector. For instance, one needs 12 permits to enter into a hotel joint venture with another country. Even worse, the builder of the Dai Ha Hotel in Hanoi has had to go to 18 offices to obtain the necessary license.

Initially, the granting of licenses for joint ventures was mainly taken care of by the State Committee for Cooperation and Investment. However, later many sectors asked for participation in the process of consideration for approval of investment projects, as was practiced earlier during the days when subsidies prevailed. A decisive factor is that we lack a contingent of qualified cadres capable of working with foreign partners. As the majority of cadres engaged in joint ventures lack foreign language skills, their guidance in production and business has been less effective. Because of their unfamiliarity with the business market, joint enterprises have usually purchased equipment and machinery—with the money contributed by the foreign partners concerned—at a higher price than offered by the world market.

Meanwhile, many countries surrounding us have in recent years achieved steady improvement and have adopted some policies to further attract foreign investors so as to draw in capital for economic development. For instance, they have simplified their administrative procedures and set up industrial complexes before inviting businessmen to come to set up their factories, and have allowed these foreign businessmen to transfer their profits home easily.

The reality of the promotion of investment cooperation by our country and other countries in the region over the past few years requires us to promptly improve various activities concerned with the task of attracting foreign capital. As was pointed out in the government report delivered by Prime Minister Vo Van Kiet at the sixth session of the Ninth National Assembly, along with determining orientations for development of our strategy, we must quickly eliminate inconvenient and negative procedures in investment cooperation. We also need to encourage non-state economic components to actively participate in attracting foreign investment capital within the framework of our plan. At present our country is intensively building eight industrial complexes in all the three regions—northern, central, and southern. However, the course for the development of certain industrial complexes is not clear enough. We must be more specific if we want foreign investors to come to set up their factories.

Apart from promptly carrying out administrative reform and reducing inconvenient procedures in the granting of investment licenses, we must promptly provide training and re-training for the contingent of cadres engaged in joint ventures with foreign countries in order to improve their knowledge and increase the results of production and business, and to generate a new attracting force to obtain foreign investment capital for economic development in our country.

### **Party Paper Views 'Anti-Negativism Campaign'**

*BK3110152494 Hanoi NHAN DAN in Vietnamese 6 Oct 94 p 1, 2*

[Article by Le Huyen Thong: "Cases of Negativism in the Anti-Negativism Campaign"]

[FBIS Translated Text] We went to two major cities and some provinces to gain guiding experiences in countering corruption and smuggling. Most of the cadres and people whom we interviewed held that leaders at all levels as well as law enforcement and mass media agencies have contributed great efforts in fighting corruption and smuggling. They have determinedly fought against and strictly dealt with people involved in corruption and smuggling in many places, thus winning back the public's trust.

At the same time, some negative phenomena have emerged in the fight against corruption in other places. Besides the practice of indulgence, avoidance, sheltering, and protecting, other negative aspects are also manifested in very subtle forms. They are:

1. Those who have embezzled state property, wrongly applied management principle, or caused loss to public property are falsely accusing people who have been actively participating in the fight against corruption. In Province X and Unit B, the public discovered that Mr. Y had committed himself to negative acts by being involved in corruption, and he had been dealt with by law enforcement agencies. Then later on, Mr. Y wrote letters to accuse some other leading cadres who had directly handled his case, causing distrust in government offices. Other people even write unsigned letters to different provincial offices and government leaders to falsely accuse honest cadres.
2. Some management cadres who have embezzled state property are acting in the name of "fighting against negativism, protecting national regulations, and maintaining discipline" to take revenge on honest people who have participated in the fight against corruption. In these cases, the victimized cadres are branded as "poor in organization and discipline," "abhorred by the public," "causing internal distrust," "fighting against the management," and so forth. With these charges wrongly made against them, the cadres concerned might not be able to continue receiving support from other people.
3. Some cadres and officials have been committing themselves to corruption and smuggling while working for law enforcement agencies, but due to unknown reasons, they are decorated for their "outstanding service" in fighting corruption. In particular, Lu Minh Doan, Vo Thanh Nhan, Pham Van Khuong, Trong Phan, and Thanh Tuan in Thanh An Village in Thot Not District (Can Tho Province) took bribes to assist Do Ngoc Toan to smuggle foreign cigarettes. Moreover, they also cunningly filed a report for the official "confiscating" of 165 cartons of foreign cigarettes (out of more



than 3,000 smuggled cartons) to establish their "reputation" of being strict and just. After that, leaders of this smuggling countering unit rewarded some money to Lu Minh Doan and his group for their good work. However, their action was exposed because the 3,000 cartons of smuggled cigarettes were seized the next day in Binh Chanh District in Ho Chi Minh City.

4. Some leading cadres of anti-smuggling organs are also smugglers themselves. Phuong Duc Thanh, director of the Cao Bang Customs Service was involved in smuggling cars across the border. Ung Van Nhu Huan, anti-smuggling team leader in Quang Nam-Da Nang Province participated in illegal cross-border trading with Thai Ba Quang. Nguyen Viet Thuong, deputy director of the Smuggling Investigation Commission of the Customs Service General Department, worked hand in glove with smugglers. In these places, the public are saying sarcastically: "Corrupt officials are fighting against smugglers" and: "We release the cats to scare off the mice but not to catch them."

5. These negative aspects are cause for particularly great concern because, first of all, in certain places where internal disunity prevails, people have taken advantage of the so-called "anti-corruption campaign" to gather followers to support their struggle for power and for the elimination of those who do not side with them. This negative phenomenon often occurs during the time when preparations for congresses or for elections are in progress. The contradictions between the chief and deputy chief of a unit in locality X and the disagreement between an official responsible for party-related work and a cadre in charge of an administrative organ in Y province have led to a situation in which the parties involved have tried by all means to eliminate their opponents from the list of candidates for people's council elections under the pretext that "there are indications of involvement in corruption and smuggling."

These people have resorted to very sophisticated maneuvers. They knew how to fool the public and took advantage of their connections with a number of officials in charge to spread rumors about indications of corruption. Sometimes they even sent in anonymous letters to make false accusations. As a result, the agencies in charge had to investigate. Next, those people spread the so-called "investigation results" to neutralize those they wanted to eliminate!

Realities clearly indicate that for the anti-corruption campaign to succeed, we must take resolute and full action, and, most importantly of all, must adopt uniform measures. On the one hand, it is necessary to step up management, purify the state apparatus, and take timely and stern action as stipulated by law to deal with all violations, especially serious ones, regardless of the positions and ranks of wrongdoers. At the same time, constant efforts must be made to oversee the activities of party members and party organizations in law enforcement agencies. Cadre-related work must be closely linked with the anti-corruption campaign. On the other hand, urgent measures must be taken to perfect mechanisms, policies, and legal documents to prevent bad elements from taking advantage of loopholes to serve their schemes. It is important to act in line with a conclusion reached by the prime minister of the government as follows: "We must adopt very urgent and resolute measures to carry out the anti-corruption campaign. Nonetheless, we must not create a tense atmosphere. Instead, we must create a healthy environment for everyone to compete within the bounds of the law, stabilize business activities at home, attract foreign investment, promote socioeconomic development activities, and take measures to prevent the enemy and bad elements from taking advantage of loopholes to carry out their schemes."

This calls for efforts on the part of upper echelons not to listen only to one side. This means that while reviewing inspection results, they must also take into consideration the views of the parties that come under inspection before making a decision.



## Australia

### Countries Interested in Collins Class Submarine

BK3110070294 Hong Kong AFP in English 0608 GMT  
31 Oct 94

[FBIS Transcribed Text] ADELAIDE, Australia, Oct 31 (AFP)—Australia's first Collins class submarine, described as the most advanced conventionally-powered boat of its kind, began sea trials off here Monday. As onlookers cheered, the 3,000-tonne, 78-meter (257-foot) submarine pulled away from its dock accompanied by two tugs. But, due to rough weather conditions and a strong northerly wind, the submarine did not submerge. The boat, which carries a crew of 42, is the first of six to be built for the Australian navy as replacements for the Oberon class.

Geoff Rose, project director for the Australian Submarine Corporation (ASC), said there was much overseas interest in the 400 million dollar (292 million US) vessel in South Korea, Malaysia, Indonesia and Thailand. Described by the ASC as the most advanced conventionally-powered submarine, the project was hit with engineering problems this year, including leaking valves. There were delays in integrating computer software which runs sensor, navigation and combat systems.

Hans Ohff, managing director of ASC, which won the contract to build the Swedish-designed submarines in 1987, said that although the weapons software was not yet installed the boat was 100 percent mechanically complete. The vessel is expected to be commissioned in September 1995 and the software should be ready by January.

## Marshall Islands

### Senator Objects To U.S. Nuclear Waste Disposal

BK3110082794 Hong Kong AFP in English 0737 GMT  
31 Oct 94

[FBIS Transcribed Text] MAJURO, Oct 31 (AFP)—Potentially huge revenues gained from turning parts of the Marshall Islands into a global depository for nuclear waste could be clouding the judgement of those who support the plan, Senator Alvin Jacklick said Monday. The representative of Kwajalein Atoll, home of the U.S. Army's "Star Wars" missile testing range, said he objected to the plan now under consideration by the Marshalls government.

The plan calls for using atolls damaged by U.S. nuclear testing as a world nuclear disposal site. A preliminary study on the plan is underway, with the International Atomic Energy Agency (IAEA) providing technical assistance and personnel.

"Will tourists want to come here then? No, because no one wants to get contaminated," Jacklick said. "It doesn't matter whether they put it 2,000 feet down under an island, as long as it is located in an island it's still in the Marshall Islands. Nobody wants to live next to it." He said such a proposal should be put to the people.

Jacklick said it would be acceptable to conduct the preliminary study and then put the question to voters. But he said government officials are already negotiating for waste disposal here.

"It's the cart pulling the horse, and that's dangerous," he said in an interview. The potential revenues, estimated at a minimum 1.5 billion US dollars, "is blinding the good sense of those involved in the project."

"Before they even think about it, let the people say what they think. If they give the okay for a feasibility study or negotiations, then we'll do it. If not, then we need to look for other means of financial assistance." He said the project reflected a growing "cash crisis" now that funding from the U.S. under the Compact of Free Association was drying up. "But we shouldn't jump at the waste project and say this is a solution to the Marshall Islands money problems," he said. "We need to look at other solutions."

Jacklick said it would take years to negotiate with other countries and gain the international approvals necessary. Some countries, such as Japan, have laws against the export of waste which would have to be changed first, he said. Jacklick said he did not believe Marshalls residents would want to be known in the world as the "nuclear waste people" because it would diminish the reputation and integrity of the country.

## Papua New Guinea

### Chan Vows To Bring BRA Rebel Chiefs to Justice

BK0111062494 Melbourne Radio Australia in English  
0500 GMT 1 Nov 94

[FBIS Transcribed Text] Papua New Guinea [PNG] Government says it will hunt down key leaders of the secessionist rebellion on the island of Bougainville and bring them to justice. The statement from the PNG prime minister, Sir Julius Chan, said the government was determined to put an end to what he called the free reign of the Bougainville Revolutionary Army [BRA] in parts of Bougainville. Sir Julius said the BRA's foreign sympathizers and supporters would also be swiftly dealt with.

In a hard-hitting statement, Sir Julius described the BRA leaders as a band of criminals. The prime minister said the rebel leaders must be made answerable for their action. Sir Julius' remarks followed the recent failure of the peace conference on Bougainville because BRA leaders refused to attend.



This is a U.S. Government publication. Its contents in no way represent the policies, views, or attitudes of the U.S. Government. Users of this publication may cite FBIS or JPRS provided they do so in a manner clearly identifying them as the secondary source.

Foreign Broadcast Information Service (FBIS) and Joint Publications Research Service (JPRS) publications contain political, military, economic, environmental, and sociological news, commentary, and other information, as well as scientific and technical data and reports. All information has been obtained from foreign radio and television broadcasts, news agency transmissions, newspapers, books, and periodicals. Items generally are processed from the first or best available sources. It should not be inferred that they have been disseminated only in the medium, in the language, or to the area indicated. Items from foreign language sources are translated; those from English-language sources are transcribed. Except for excluding certain diacritics, FBIS renders personal names and place-names in accordance with the romanization systems approved for U.S. Government publications by the U.S. Board of Geographic Names.

Headlines, editorial reports, and material enclosed in brackets [ ] are supplied by FBIS/JPRS. Processing indicators such as [Text] or [Excerpts] in the first line of each item indicate how the information was processed from the original. Unfamiliar names rendered phonetically are enclosed in parentheses. Words or names preceded by a question mark and enclosed in parentheses were not clear from the original source but have been supplied as appropriate to the context. Other unattributed parenthetical notes within the body of an item originate with the source. Times within items are as given by the source. Passages in boldface or italics are as published.

#### SUBSCRIPTION/PROCUREMENT INFORMATION

The FBIS DAILY REPORT contains current news and information and is published Monday through Friday in eight volumes: China, East Europe, Central Eurasia, East Asia, Near East & South Asia, Sub-Saharan Africa, Latin America, and West Europe. Supplements to the DAILY REPORTs may also be available periodically and will be distributed to regular DAILY REPORT subscribers. JPRS publications, which include approximately 50 regional, worldwide, and topical reports, generally contain less time-sensitive information and are published periodically.

Current DAILY REPORTs and JPRS publications are listed in *Government Reports Announcements* issued semimonthly by the National Technical Information Service (NTIS), 5285 Port Royal Road, Springfield, Virginia 22161 and the *Monthly Catalog of U.S. Government Publications* issued by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

The public may subscribe to either hardcover or microfiche versions of the DAILY REPORTs and JPRS publications through NTIS at the above address or by calling (703) 487-4630. Subscription rates will be

provided by NTIS upon request. Subscriptions are available outside the United States from NTIS or appointed foreign dealers. New subscribers should expect a 30-day delay in receipt of the first issue.

U.S. Government offices may obtain subscriptions to the DAILY REPORTs or JPRS publications (hardcover or microfiche) at no charge through their sponsoring organizations. For additional information or assistance, call FBIS, (202) 338-6735, or write to P.O. Box 2604, Washington, D.C. 20013. Department of Defense consumers are required to submit requests through appropriate command validation channels to DIA, RTS-2C, Washington, D.C. 20301. (Telephone: (202) 373-3771, Autovon: 243-3771.)

Back issues or single copies of the DAILY REPORTs and JPRS publications are not available. Both the DAILY REPORTs and the JPRS publications are on file for public reference at the Library of Congress and at many Federal Depository Libraries. Reference copies may also be seen at many public and university libraries throughout the United States.



